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2
3 REGIONAL RESOURCE STEWARDSHIP COUNCIL MEETING

4 APRIL 27TH & 28TH, 2011
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7 VOLUME I OF II
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11 LOCATION:

12 TENNESSEE VALLEY AUTHORITY
13 400 WEST SUMMIT HILL DRIVE
14 KNOXVILLE, TENNESSEE 37902
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3 *MS. LIZ UPCHURCH 4/28/11
4 *MRS. DEBORAH K. WOOLLEY (COUNCIL CHAIR)
5 MR. MIKE BALL
6 MR. KARL W. DUDLEY
7 *MRS. JEAN KELLEMS ELMORE
8 *MR. BILL FORSYTH
9 *MR. RON FUGATT
10 *MR. MICHAEL GOODMAN
11 *MR. PHIL HAZLE
12 *MR. MARK HOMMRICH
13 *MRS. RENEE V. HOYOS
14 *MR. MARK IVERSON
15 *MR. MITCH JONES
16 *MRS. AVIS KENNEDY
17 MR. GEORGE B. KITCHENS
18 *MR. TOM LITTLEPAGE
19 *MR. JOHN K. MATNEY
20 MR. ROBERT J. MARTINEAU, JR.
21 MR. W. C. NELSON, JR.
22 *MR. PAUL SLOAN
23 *MR. RUSSELL TOWNSEND
24
25 *PRESENT FOR THE MEETING

3

1
2 TENNESSEE VALLEY AUTHORITY DESIGNATED FEDERAL OFFICER
3
4 MS. ANDA A. RAY, DFO

5 SENIOR MANAGER, OE&R
TVA ENVIRONMENTAL MANAGER
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1 P R O C E E D I N G S

2 FACILITATOR WILSON TAYLOR: We will go
3 ahead and call the meeting to order. I apologize for
4 the late start, we normally like to get started on
5 time, but we have got so many moving parts this
6 morning that we are trying to manage, the weather and

7 some other things.

8 Speaking of the weather, if we have a
9 weather event that we need to leave and go to a
10 shelter here, we will go out that back door there.
11 TVA employees would lead the way and Bruce Schofield
12 will bring up the rear, is what we have agreed, to
13 make sure everybody is out of this room.

14 MR. BRUCE SCHOFIELD: To make sure
15 everybody is out.

16 FACILITATOR WILSON TAYLOR: So the
17 next question is the tour that was planned for this
18 afternoon, there is an option to do the tour this
19 morning in light of the weather event and then handle
20 the meeting this afternoon.

21 So, Madam Chair, how do you want to
22 handle that?

23 CHAIR DEBORAH WOOLLEY: Just really,
24 you know, when we looked at the weather there's the
25 bad -- the really bad lines are to come through this
1 afternoon. Are y'all comfortable with that? Do you
2 have a problem with swapping the two days?

3 Anda.

4 DFO ANDA RAY: Yeah. Let me just
5 mention, we're not going to go to the campground this
6 afternoon. If you want to go and see the first in
7 the nation where they have got the energy efficiency,
8 the solar, the wind turbines, it's about a 25-minute

9 drive and we could do that this morning if we decide
10 right now.

11 We will still do McClung Museum
12 potentially this morning or potentially this
13 afternoon, we can decide that -- we can probably do
14 that right after the campground, but the idea of
15 going to the campground is only available this
16 morning. We're not going to put you in harm's way.

17 CHAIR DEBORAH WOOLLEY: Is there any
18 concern about flopping the schedule or even mixing
19 and doing as we need to?

20 MRS. RENEE HOYOS: Are there any
21 constraints with the FICA, the public?

22 DFO ANDA RAY: That will be tomorrow
23 and so we're not changing that.

24 MRS. RENEE HOYOS: Oh, okay.

25 DFO ANDA RAY: That's exactly why we
1 didn't switch the days. 6

2 CHAIR DEBORAH WOOLLEY: Any other
3 questions or what's you-all's thoughts on it?

4 FACILITATOR WILSON TAYLOR: Or we can
5 skip it.

6 MRS. RENEE HOYOS: Let's go.

7 CHAIR DEBORAH WOOLLEY: I think
8 they're ready to go.

9 DFO ANDA RAY: So we will go through
10 the agenda until the bus is here.

11 FACILITATOR WILSON TAYLOR: We won't
12 start moving until the bus gets here. As I said
13 earlier, we have several items going on around the
14 weather. And Kim going is going to let me know if
15 she needs to take another break here shortly. She's
16 got a personal situation going on with her
17 neighborhood in Chattanooga where there's a storm
18 going on. So that's an issue as well.

19 So with that, Madam Chairman, I will
20 turn it over to you or, Anda, do you want to go ahead
21 and welcome everyone.

22 DFO ANDA RAY: We will pretend all of
23 that didn't happen. Welcome. Thank you-all for
24 making this trip up here again in Knoxville. And
25 again, we're going to try to have this at different
1 areas. We had just already had this one planned. 7

2 We have got a lot going on. We
3 finished the public meetings getting some of your
4 comments. So I think we're going to be able to get a
5 little bit down more to brass tacks.

6 Okay. So how is this really going to
7 be different than what you're doing now?

8 And we will talk a little bit in a
9 minute about what the Board's response was to some of
10 the actions you took before. So thank you very much,
11 and I think we have -- I am really glad that we're
12 going to be able to do the -- both the campground and

13 the McClung Museum. It's opportunities that you
14 won't get in your private life. So I think that's
15 terrific.

16 So with that, I'll turn it back over
17 to you, Wilson.

18 FACILITATOR WILSON TAYLOR: Thank you.

19 DFO ANDA RAY: Oh, yeah, we're going
20 to do introductions, right?

21 FACILITATOR WILSON TAYLOR: Yes.

22 DFO ANDA RAY: Okay.

23 CHAIR DEBORAH WOOLLEY: Yeah.

24 FACILITATOR WILSON TAYLOR: Yeah.

25 What we would agreed to do is just to go around the
1 room and tell who you are and what role you play on⁸
2 this -- in this group here today for the sake of
3 everybody here. So we will start with Randy.

4 MR. RANDY MCADAMS: Good morning. I
5 am Randy McAdams. I'm actually not an RRSC member.
6 As many of you may know from the last meeting, I am a
7 consultant with the firm Scott Madden. We are
8 working supporting Anda and her team in the
9 development of the NRP. So I'm pleased to be here
10 with you.

11 MR. MARK HOMMICH: I'm Mark Hommrich
12 with Volunteer Barge and Transport in Nashville
13 representing navigation interests. We're a
14 commercial navigation company that provides barge

15 transportation throughout the Tennessee and
16 Cumberland Valley as well as the Inland River System.
17 Thank you.

18 MR. BILL FORSYTH: I'm Bill Forsyth.
19 I represent North Carolina on the Council, but I'm
20 also a power distributor, that I'm chairman of Murphy
21 Electric Power Board.

22 MR. PAUL SLOAN: I'm Paul Sloan,
23 Deputy Commissioner of the Tennessee Department of
24 Environment and Conservation, but I will no longer be
25 that a week from today. So I am a citizen appointee
1 representing --
9

2 DFO ANDA RAY: Recreation and
3 environment -- environmental protection.

4 MR. PAUL SLOAN: Good. I wanted to
5 connect with that yesterday and I -- yesterday, but I
6 knew I was appointed as a citizen at large but I
7 didn't know that particular -- okay. Good.

8 MRS. RENEE HOYOS: My name is Renee
9 Hoyos. I'm the Executive Director of the Tennessee
10 Clean Water Network, and we represent the
11 environmental community's interest in Tennessee.

12 MRS. AVIS KENNEDY: My name is Avis
13 Kennedy. Until February I worked for the U.S. Army
14 Corps of Engineers, Nashville District, where I
15 managed their natural resources and recreation
16 programs. I've got about 33 years of experience in

17 land management.

18 So like Paul, I think I am now since I
19 retired in February, a citizen appointee, and I too
20 am hoping to hear more about exactly which
21 constituents I am representing.

22 DFO ANDA RAY: I think you're still
23 looking at some of this as an expert in some of the
24 same areas that you were provided in -- that you were
25 providing when you were a manager of the Corps. So
1 kind of the water management, the navigation, 10
2 navigation, flood control, recreation as far as water
3 use.

4 Thank you.

5 MR. MITCH JONES: I'm Mitchell Jones.
6 I'm the vice president of the Tennessee Marina
7 Association, and I represent the interests of -- I
8 believe there's 178 marinas throughout the Valley
9 system. I own three of those, one in North Georgia,
10 two here in Knoxville area, and I live here in
11 Knoxville.

12 MR. PHIL HAZLE: My name is Phil
13 Hazle. I'm a new member from -- representing
14 Kentucky. I live in West Kentucky on Kentucky Lake
15 across from the Land Between the Lakes.

16 MR. RUSSELL TOWNSEND: I'm Russell
17 Townsend. I'm the Tribal Historic Preservation
18 Officer for the Eastern Band of Cherokee Indians. I

19 am an archeologist and a citizen of the Cherokee
20 Nation. And I am representing the interests of the
21 Eastern Band of Cherokee Indians, the other tribes of
22 the southeast as much as I can, and everybody
23 interested in heritage and culture history
24 preservation.

25 MR. RON FUGATT: I'm Ron Fugatt with
11
1 Newport Utilities, and I representing a power
2 distributor representative.

3 MR. JOHN MATNEY: John Matney, a
4 citizen appointee from Virginia living in Bristol,
5 Virginia.

6 MR. MARK IVERSON: My name is Mark
7 Iverson. I'm from Bowling Green, Kentucky and
8 represent one of the TVA distributors.

9 MRS. JEAN ELMORE: I'm Jean Elmore. I
10 represent the State of Mississippi as a citizen. I'm
11 from the Tupelo area which has the distinction of
12 being the first TVA city.

13 MR. TOM LITTLEPAGE: I'm Tom
14 Littlepage, and I work for the State of Alabama and
15 represent water quantity issues for the State. I'm
16 also involved with a group of water quantity managers
17 from across the Valley states. So I bring the
18 perspective of some of the cares and concerns they
19 have with regards to overall watershed management.

20 CHAIR DEBORAH WOOLLEY: I'm Deb

21 Woolley. I'm from Nashville. I'm president of the
22 Tennessee Chamber of Commerce and Industry, which is
23 a statewide business and industry association that is
24 devoted to keeping a good business climate, economic
25 development and growth in the Valley.

12

1 FACILITATOR WILSON TAYLOR: Wilson
2 Taylor, Council facilitator.

3 DFO ANDA RAY: Anda Ray, the TVA
4 Designated Federal Officer.

5 Let's kind of go around, if you don't
6 mind, I just want you to see the folks that we have
7 got here from TVA. We will start with Jerry.

8 MR. JERRY FOUSE: I'm Jerry Fouse and
9 I work for Anda Ray and help do recreation
10 programming for TVA.

11 MS. KELLY LOVE: I'm Kelly Love. I'm
12 an attorney with TVA's Office of the General Counsel,
13 and I'm the primary legal advisor for issues related
14 to this Council.

15 MR. BRUCE SCHOFIELD: Bruce Schofield,
16 vice president of land and shoreline management for
17 TVA.

18 MR. MICHAEL ANCKNER: My name is
19 Michael Anckner. I work with Scott Madden with
20 Randy. I'm the project manager for the NRP.

21 MR. BO BAXTER: My name is Bo Baxter,
22 and I'm an aquatic biologist with TVA's environmental

23 permitting and compliance group.

24 MR. RUDY SHANKER: I'm Rudy Shanker.

25 I manage the technology innovation group at TVA.

1 MS. CARLA WHITE: I'm Carla White. I ¹³

2 work in shoreline management for TVA, and I will be

3 taking your notes tomorrow.

4 MS. HELEN RUCKER: I'm Helen Rucker,

5 and I work for Bruce Schofield in land and shoreline

6 management and their natural resource departments.

7 MR. BILL SITTON: I'm Bill Sitton. I

8 work in TVA communications.

9 MS. SUSAN KELLY: I'm Susan Kelly.

10 I'm the senior manager of federal determinations,

11 which includes archeological compliance, biological

12 compliance.

13 MR. JIM ALLEN: I'm Jim Allen. I'm an

14 environmental external relations program manager in

15 EMT.

16 MR. M. J. CONRAD: M. J. Conrad, Scott

17 Madden, NRP project management support.

18 MS. TIFFANY FOSTER: I'm Tiffany

19 Foster. I'm our partnership education specialist in

20 land and shoreline management.

21 MRS. CHELLYE CAMPBELL: I'm Chellye

22 Campbell. I'm the project manager with the shoreline

23 management.

24 DFO ANDA RAY: Thank you.

25 FACILITATOR WILSON TAYLOR: Thank you.
14
1 What I would like to do now, if I turn your attention
2 to the tab in the notebook, the discussion questions,
3 if you would, take a quick moment to look at those
4 discussion questions.

5 We will be hearing from several
6 speakers today again, and then we will also be doing
7 the tour this morning with the intent to focus on
8 answering those three questions and providing that
9 advice to TVA tomorrow.

10 Does everybody see that tab, the
11 discussion questions?

12 So if you'd keep those in mind as we
13 go throughout the day, I think that will be helpful
14 in responding to those questions.

15 DFO ANDA RAY: And if I could just
16 mention one thing is that unbeknownst to us when we
17 first drafted these questions, we didn't realize that
18 our new Chairman actually had news reporter
19 experience. So, Deborah, we look forward to you
20 using that expertise to help you flesh out these
21 questions.

22 CHAIR DEBORAH WOOLLEY: And I will try
23 to be nice and objective.

24 FACILITATOR WILSON TAYLOR: We have
25 come to the agenda review. I think you can take your
15
1 time to read that yourself, but one thing I would

2 like to do is thank the speakers in advance for being
3 succinct and clear when they present their
4 information. I know it's going to be a challenge to
5 make sure we get everything in today so you can
6 answer these questions tomorrow.

7 So tomorrow Liz Upchurch will be
8 taking my place to support you in getting the advice
9 that you want to give to TVA. I won't be able to be
10 here tomorrow, but Liz and I talked and she's going
11 to be operating in my place.

12 Renee. I'm sorry. Anything else,
13 Deb?

14 CHAIR DEBORAH WOOLLEY: Is there
15 anything -- any type of briefing or anything that we
16 need to know before we leave on the field trip
17 because I've got a feeling the bus is going to pull
18 up and we're going to --

19 DFO ANDA RAY: No. We will handle it
20 on the bus.

21 CHAIR DEBORAH WOOLLEY: Okay.

22 FACILITATOR WILSON TAYLOR: Okay.

23 With that, Anda, I will turn it over to you in terms
24 of TVA Board feedback.

25 DFO ANDA RAY: Okay. Who's working
1 this? Next slide. Next one. One more. All right.
2 It's in your book behind the tab anyway.

3 Can you hear me? Can you hear me

4 okay?

5 All right. One thing I wanted to do
6 is to -- we finished all the public meetings. The
7 last one was Monday night. And I do want to thank
8 Mark Iverson up in Bowling Green Utilities for
9 attending the Benton, Kentucky one, and for -- Tom
10 Littlepage for attending the one in Muscle Shoals,
11 Alabama. So we really appreciate both of you taking
12 the time to come and see those public meetings.

13 Again, they're -- we will talk -- I
14 guess we will talk a little bit about the public
15 meetings a little bit later.

16 Won't we, Randy?

17 Okay. So we will tell you more about
18 the response.

19 The Board -- TVA Board meeting was on
20 April the 14th. And you're all aware that we have a
21 pre-meeting with the -- or not a pre-meeting, but we
22 have meetings with the Board -- different Board
23 committees, and this particular activity falls on the
24 external relations committee.

25 And on that committee is -- the
1 Chairman of that committee is Mike Duncan, and
2 Director Neil McBride and Director Marilyn Brown both
3 serve on that committee. As we move forward with
4 Director Duncan's term being up in May we will see
5 how the constituency of that particular committee

6 changes, but they were very impressed with the work
7 that you had done already.

8 And let me just kind of -- if you look
9 at the slides, the couple of biggest things that they
10 liked is they want us to go ahead and articulate
11 exactly what you said, which is so where's -- what
12 you are doing differently, and by the way, how much
13 is it going to cost and you need to be really clear
14 up front when you do an Executive Summary on what is
15 it -- what's it going to -- what's it going to look
16 like that it doesn't look like now?

17 The other thing is they wanted to have
18 a personal expression of appreciation to you for
19 those guiding principles. They actually couldn't
20 believe you got that much done in such a short period
21 of time on the guiding principles, especially the one
22 that says, you know, if you're going to manage the
23 river, then you're taking on some responsibility to
24 do it as best as you can, and that was part of your
25 guiding principles.

18
1 And also the flip side of that is, and
2 it's going to cost the ratepayers. So you better do
3 the best job you can and keep the rates low, but the
4 fact that you took on that responsibility, TVA, when
5 you're managing the river, they really appreciated
6 those -- all of those guiding principles.

7 One thing that happened that was a

8 surprise to me is at the last minute right before the
9 Board meeting Director Duncan, who's very concerned
10 about the environment but he's not one of those that
11 you see as a proponent as much as you do a couple of
12 our other Directors, like Director Brown and Director
13 McBride, he actually picked up the book you have in
14 your hand and raised it and said, I want all of you
15 to know that we're working on this Natural Resource
16 Plan, the first in the nation or the first in TVA's
17 history and that we have this Regional Resource
18 Stewardship and they have provided guiding principles
19 and all of you need to get on line and provide
20 comments.

21 So during the public meeting he held
22 that up, and that was kind of a surprise to me that
23 he was going to bring that kind of attention to it.

24 So all in all you-all kind of -- we
25 took that change in direction during the last meeting
1 where we really just kind of started working on those¹⁹
2 guiding principles at the last minute, wow, those
3 have got to show up someplace because that was --
4 that was terrific. So they really wanted to
5 compliment you on that.

6 Wilson.

7 FACILITATOR WILSON TAYLOR: Thank,
8 Anda. And we will continue moving forward until Beth
9 gives us the go-ahead to leave.

12 it's presented in the Natural Resource Plan. And
13 that's going to serve the bulk of the morning or the
14 bulk of the afternoon perhaps. So I kind of wanted
15 to use this as a context setting discussion here.

16 So if you go to the slide here, to
17 remind some of you who are in this room back in
18 January, the last time we met, the NRP, again, is a
19 20-year vision -- a 20-year plan, you know, designed
20 to uphold TVA's mission and renewed vision and
21 balancing the stewardship objectives with sound
22 business practices.

23 It's being conducted, as everyone may
24 recall, in five phases, which you see behind me.

25 First, there was a scoping process that began
1 actually in late '09. There were a number of public²¹
2 sessions in which input was received on what the
3 scope of the NRP should cover and should not cover.

4 Then following that, in the spring and
5 summer, develop a framework and inputs, what are the
6 key inputs that need to be taken into consideration
7 as the NRP is developed.

8 Then thirdly, in the summer and fall
9 primarily analyze and evaluate those different
10 programs options. I will talk about that in a little
11 bit more detail in the next slide.

12 And now we have published the draft
13 NRP and the draft EIS, the accompanying Environmental

14 Impact Statement that accompanies the NRP. The NRP
15 was published April 1st. The Environmental Impact
16 Statement that accompanies the EIS was actually
17 published March 23rd. So I think everybody in this
18 room has seen those. Again, that's going to form
19 much of the dialogue that we're going to have today.

20 They are now open for public comment,
21 both the NRP and the EIS. The public comment period
22 is open until May 16th. Then after the public
23 comment period closes, the substance of the comments
24 are going to be addressed and will form the -- they
25 will be addressed and responded in part -- as part of
1 producing the final Natural Resource Plan and the 22
2 final EIS.

3 Just a couple of key milestones going
4 forward, the public comment period closes May 16th.
5 In June TVA will digest and react to some of those
6 comments. This body is being assembled again in late
7 June, I'm not sure of the precise dates or if they
8 have been calendared yet, but this body will be
9 assembled in late June. We will share those comments
10 with you. We will get the input and counsel from
11 this body.

12 Then in July the final NRP will be
13 produced and the EIS will be produced and transmitted
14 to EPA in anticipation of a Board action in mid
15 August. I don't know the exact date of that either.

16 But this is all leading up to the NR -- a resolution
17 on ratification of the NRP being presented to the
18 Board in August. So that's the schedule in a
19 nutshell.

20 Just to remind you of the methodology,
21 if we could go to the next page, that has been
22 employed, and this served the basis of the discussion
23 we had back in January. So I'm just going to
24 summarize this very quickly.

25 But as you recall, TVA is focused on a
1 number of different resource areas. And for each of²³
2 those resource areas, down the left-hand side, those
3 four boxes, different programs were identified, and
4 we will talk about those today. Different program
5 options sort of reflecting different levels of effort
6 for each of those programs have been identified.
7 Cost analyses have been done.

8 What are the resource requirements to
9 do those different levels of effort for those
10 different programs -- program options?

11 Benefits have been assessed across six
12 or seven different categories. Those were presented
13 in page 73 of this draft NRP you have in front of
14 you, but benefits have been identified with the help
15 of a natural resource economist across seven
16 different categories.

17 And then lastly, scenarios and

18 strategies were developed and used as an evaluation
19 mechanism. Well, how do these things tie together
20 and how do they perform and what value do they
21 provide against different scenarios that TVA could
22 face in the future? So a scenario planning process
23 was used.

24 The key point of this slide, I think,
25 are those three ovals in the middle. So now we put
1 all of that in a pot and stir it around, and the ²⁴
2 three things that have really informed what has
3 been -- what has -- what ultimately has been produced
4 is the draft NRP of the external stakeholder input of
5 which this body is a critical part, as well as the
6 meetings with the agencies across the Valley, met
7 with the Fish & Wildlife Service and the natural
8 resource agencies in each of the seven states in
9 which TVA serves, Fish & Wildlife Service, et cetera,
10 a lot of dialogue with agencies in the fall of last
11 year.

12 There have been some public meetings,
13 which we talk about in a little bit more depth in a
14 minute. There were public comment periods, et
15 cetera. So a very open and transparent and
16 collaborative process, and that's really helped form
17 the draft NRP that you will see in front of you.

18 Scenario planning analysis I have
19 already talked about. Then some other strategic

20 considerations. TVA leadership weighed in, of
21 course, as they should with some other strategic
22 considerations that need to be taken into account.
23 Out of that -- out of that set of considerations TVA
24 leadership produced the Natural Resource Plan.

25 And again, that's what we're going to
1 spend the bulk of the day talking about today is what²⁵
2 is presented in the Natural Resource Plan or what are
3 the benefits associated with each of the programs.

4 So that's where we are in the story in
5 the process that is being followed. The next part of
6 the presentation we really want to focus and I --
7 maybe I will ask the leadership here if we want to
8 take a break point because I'm now about to introduce
9 what we're going to do walking through each one of
10 the different resource areas which kind of serves for
11 the next two and a half hours of the meeting. So I
12 could introduce that or we could take a break now or
13 I will follow your lead here.

14 FACILITATOR WILSON TAYLOR: Deb?

15 CHAIR DEBORAH WOOLLEY: Are they here
16 yet?

17 MS. BETH KEEL: They are not here yet.
18 So why don't we just continue.

19 FACILITATOR WILSON TAYLOR: If you
20 want to introduce them.

21 MR. RANDY MCADAMS: I'll keep going.

22 When the bus comes, this won't be the first time a
23 room full of people walked out on me while I have
24 been speaking.

25 So let me -- let me kind of describe
1 the construct of what we're going to do today. 26

2 Again, the NRP implementation plan provides a balance
3 of compliance and policy and essential program
4 options over the next 20 years. It is a 20-year
5 plan.

6 The approach that's been developed is
7 really a prioritization of these different program
8 options and the three priority levels which you see
9 behind me, custodial, blended, and advanced. All of
10 the program options that have been presented in the
11 NRP and all that we discussed in the last meeting in
12 January have been prioritized based on that
13 prioritization scheme, custodial, blended, and
14 advanced. They reflect different levels of efforts,
15 i.e., during funding requirements in many cases, and
16 then different expected benefits.

17 So TVA, through this process, has not
18 ruled out any of the program options that have been
19 discussed in the NRP or were discussed in the last
20 meetings, but rather, prioritized them based on this
21 three-step hierarchy of prioritization.

22 So said another way -- I'm sorry.

23 Ma'am.

24 MRS. AVIS KENNEDY: I had a question
25 when I looked at this in comparing the gradient shown
1 on page eight where custodial management and enhanced²⁷
2 management and flagship management are shown as the
3 range of program options and then on page 11 that the
4 priority levels also use the term custodial and then
5 used terms blended and advanced, I couldn't figure
6 out how blended and advanced related to enhanced and
7 flagship, but I figured I was missing a piece here.

8 MR. RANDY MCADAMS: No. Essentially
9 that's not the first time we have gotten that
10 comment. Quite frankly, I think the direction that
11 we have been given as we move to the final we're
12 going to need to be a little bit clearer. In the
13 final NRP there's a need to be a little bit clearer
14 on that.

15 But to answer your question, there
16 have been -- 85 programs have been developed and they
17 each have different program options, which are called
18 custodial, flagship -- I'm sorry, custodial,
19 enhanced, and flagship, kind of good, better, best.

20 And if you think about these program
21 options, if you think about it as a grocery store,
22 those represent the items on the shelves and these
23 three categories of priorities, custodial, blended,
24 and advanced, represent the shopping cart that you
25 put those options in.

1 So the blended priority level might
2 include some enhanced and some flagship and some
3 custodial options, and that's what we're going to
4 talk about today. So think about these as almost a
5 shopping cart of different program options that could
6 be enhanced or it could be flagship or it could be
7 custodial.

8 MRS. AVIS KENNEDY: In terms of
9 describing the priority levels, perhaps if a
10 different terminology, other than custodial, was used
11 for the lowest like --

12 MR. RANDY MCADAMS: That's an
13 excellent --

14 MRS. AVIS KENNEDY: -- basic or
15 initial or --

16 MR. RANDY MCADAMS: That's excellent
17 input.

18 MRS. AVIS KENNEDY: -- something like
19 that so that it wouldn't confuse between the two.

20 MR. RANDY MCADAMS: That's excellent
21 input.

22 Yes, sir. Ron.

23 MR. RON FUGATT: Two questions. One
24 is in your discussion there I assume that in blended
25 there was a cumulative-type approach, that blended
1 included custodial, is that not true?

2 MR. RANDY MCADAMS: Yeah. And maybe I

3 didn't say that well. Custodial will be done in
4 every alternative. Custodial is the minimal baseline
5 that TVA must do for every program.

6 MR. RON FUGATT: The other question is
7 in the 20-year plan there's no time stamps at all in
8 it, there's no times of when you're going to do this
9 or when you're going to do that. Does it mean we're
10 going to do and wait 20 years and look again? That's
11 not in the plan at all when you call it a 20-year
12 plan.

13 MR. RANDY MCADAMS: That's right.
14 There's not a time dimension on when these plans will
15 be implemented.

16 MR. RON FUGATT: It doesn't tell us
17 anything.

18 MR. RANDY MCADAMS: That's right.

19 DFO ANDA RAY: Talk about the five
20 years.

21 MR. RANDY MCADAMS: Well, TVA plans
22 intend to refresh this NRP within five years, within
23 five years. So this presents a 20-year
24 prioritization of programs. It is not -- it does not
25 have a --

30
1 MR. RON FUGATT: So I don't know why
2 we call it a 20-year plan. I think it's just our
3 NRP.

4 DFO ANDA RAY: Yeah. You -- you raise

5 a really good point and we're -- the analogy is to
6 the Integrated Resource Plan where it says, okay,
7 TVA, here's the eight-lane highway for the next 20
8 years you can go on. So this defines the eight-lane
9 highway for the natural resources.

10 You need to be focusing on doing -- if
11 it turns out there's a flagship in your grocery cart,
12 you need to focus on a flagship over the next 20
13 years in getting there. You can't get there
14 tomorrow, but you need to focus that way.

15 And then with -- because the world
16 changes, the IRP and the NRP are both committed to be
17 reviewed, not redone necessarily, but reviewed every
18 five years.

19 MR. RON FUGATT: But it --

20 DFO ANDA RAY: But your point about so
21 in 20 years we --

22 MR. RON FUGATT: But the NRP says we
23 expect this demand next -- in 15 years and this is
24 how we're going to meet it, this is what generation,
25 and those kind of things --

31
1 DFO ANDA RAY: It does not say this is
2 the demand in 2020 and it gives you a curve.

3 MR. RON FUGATT: Right.

4 DFO ANDA RAY: So -- and then it says
5 that by 2020 you will be in these ranges of
6 renewables and energy efficiency and nuclear.

7 But he brings up a good point, there
8 maybe could be some more --

9 MR. RANDY MCADAMS: Yeah, it's a fair
10 point.

11 DFO ANDA RAY: So it just doesn't say,
12 I'm doing nothing, nothing, nothing, yet, in the year
13 20 I'm going to try to get all of this done.

14 MR. RANDY MCADAMS: That's right. And
15 that's good input.

16 DFO ANDA RAY: Thanks, Ron.

17 MR. RANDY MCADAMS: I think we need to
18 get a better time dimension on this.

19 FACILITATOR WILSON TAYLOR: Paul, do
20 you have a comment?

21 MR. PAUL SLOAN: Well, I did. I had
22 the same question that Avis had on the -- on the two
23 sort of ranking systems and I -- it really came to
24 focus on Appendix 8 I began to -- I think -- well,
25 with these conversations I think I understood --
1 understand it better, but please confirm this. 32

2 It looks like on the Appendix 8 where
3 you go and inventory basically all of the programs,
4 the ranking within those programs are the program
5 options.

6 MR. RANDY MCADAMS: That's correct.

7 MR. PAUL SLOAN: So, for example,
8 strategic partnership planning and water resources

9 you have a custodial or a baseline --

10 MR. RANDY MCADAMS: That's correct.

11 MR. PAUL SLOAN: -- deliverable. You
12 have an enhanced or you have a flagship
13 prioritization of that single program. And then
14 within the priority -- blended priority levels of
15 the -- of the whole plan, this one program would
16 be -- would be ranked in the priority -- within the
17 priority levels, in other words, if it's -- within --
18 within the whole plan it's either custodial, blended,
19 and advanced. And if you use the advanced, then that
20 will entail using the enhanced alternative within the
21 strategic partnership planning program.

22 I probably confused it more than I --

23 MR. RANDY MCADAMS: I'm not sure I
24 follow that completely, but the -- I think -- from
25 what I think I heard you say, I think you have got it
1 right. I mean, the program options just represent ³³
2 for each individual discrete program the different
3 levels of effort that could be applied. Again,
4 custodial, enhanced, flagship. And then those are --
5 those are -- are kind of put in a grocery cart, if
6 you will, based on that prioritization that I just
7 described. So I think that's what you just said.

8 MR. PAUL SLOAN: Yes. But it was
9 very -- it still was confusing to me because if you
10 take any one of them -- for example, on page 100 of

11 the -- of the -- which has Appendix A, under the
12 water resource management, that water program that
13 we're talking about under partnership programs,
14 strategic partnership planning, there's a custodial
15 alternative that exists within that program.

16 Within the priority level of the -- of
17 the whole plan, it would seem to me that under the
18 custodial, blended or advanced you will be doing in
19 all instances at least the bare minimum. So the
20 checks should be all the way across.

21 Does that -- I am going too far into
22 it and I can follow up with that question.

23 MR. RANDY MCADAMS: Yeah. Hold that.
24 I think -- I think as we walk through the resource
25 areas some of this will become clearer, but the
1 central point is that this document was meant to 34
2 capture a lot of the analytics and the analysis that
3 went in -- just like the NRP, or the IRP rather, the
4 draft IRP, we very heavily focused on the analytics,
5 as is this.

6 I think we're hearing loud and clear,
7 and we have heard internally, that as we move to the
8 final NRP that there may be an opportunity to be a
9 little bit more clearer about some of the things, for
10 example, your point, Ron, about a time dimension and
11 how these things get capitalized. So I think we hear
12 that loud and clear.

13 Well, let me -- let me move on now and
14 talk about the way we're going to walk through each
15 of these resource areas. We're going to talk through
16 the five resource areas, as well as public
17 engagement, the five resource areas being biological,
18 cultural, water resources, lands planning, and
19 recreation.

20 And the structure of every one of the
21 discussions you're going to hear, we're going to
22 devote 15 minutes it to, but it's going to focus on
23 that blended prioritization. And the structure of
24 every one of the presentations just so -- so it will
25 perhaps be a little clearer as we go through it is
1 that every resource specialist will come up and will³⁵
2 talk about what we're trying achieve, what is the
3 objective in this resource area.

4 Secondly, what are the critical
5 success factors? How will we achieve our objectives?
6 How will we know those objectives are being achieved?

7 Then thirdly, what's that strategic
8 program mix with those blended alternatives? What
9 are those program mix? What is that program mix that
10 reflects that?

11 And it's going to be presented based
12 on this table -- in this table the way you see it
13 here. It will be here's a listing of the programs,
14 here are the highlights, why this program option is

15 part of the blended alternative, what's the expected
16 public benefits and value, and then what are some
17 additional benefits, interconnectivity with other
18 resource areas, et cetera, that was a counsel that we
19 got loud and clear from this body in the last
20 meeting, how is it interconnected with other resource
21 areas, et cetera.

22 Again, as we walk through this, we are
23 going to walk through it resource area by resource
24 area. As we look through this, please look at
25 Appendix A of the NRP, which is on page 90. And then
1 again, in some cases examples of partnerships recent³⁶
2 or potential will be listed in the appendix for
3 reference as well.

4 But that's going to be the structure
5 of what we're going to do much of today is walk
6 through these resource areas, as well as public
7 engagement, that's one of the presentations we have
8 got teed up as well that it's not necessarily a
9 resource area but we will start with that.

10 Yes, sir.

11 MR. MITCH JONES: Randy, when you get
12 there, I don't want Jerry to -- I don't want to wear
13 he and Bruce out for a moment, but as I went through
14 the draft there are policies currently underway with
15 marina operations throughout the Valley system that
16 are not incorporated here but it -- but from where I

17 sit should be.

18 MR. RANDY MCADAMS: Okay.

19 MR. MITCH JONES: There is a land use
20 plan underway now that incorp -- that involves
21 marinas and campgrounds that are -- have
22 traditionally been public use and available for the
23 recreational use of the public, I guess, would be the
24 better way to say that.

25 MR. RANDY MCADAMS: Okay.

1 MR. MITCH JONES: That an entire new 37
2 policy has been developed. We have a new department
3 that's being developed. We have a new chain of
4 command that's been developed that is significantly
5 impacting everything that's in Chapter 3, page 39, 40
6 through 42, page 63, 64, and then if I get into the
7 draft EIS in Appendix B.

8 So how can it not be -- why wasn't it
9 included, I guess, in the last two years of
10 discussion and where the policy is going today?

11 MR. RANDY MCADAMS: I'm not sure I
12 have the answer to that but --

13 DFO ANDA RAY: Yeah, you do. And you
14 may want to address it. Where did Jerry go?

15 But the -- this is specifically
16 addressing TVA's natural resource areas, 100 -- about
17 183,000 acres that's for dispersed recreation. So
18 the commercial rec marinas, campgrounds are not

19 included in this Natural Resource Plan.

20 So, you know, I don't know if we --
21 how we want to mention that, but that was
22 specifically what was listed.

23 MR. RANDY MCADAMS: Commercial was
24 excluded.

25 DFO ANDA RAY: Right. Right. But I 38
1 don't know if what you're saying, Mitch, is to --
2 that we need to say that, you know, we need to say it
3 more clearly or what's included and what's out
4 because it may be confusing.

5 MR. RANDY MCADAMS: I think clearly it
6 was confusing.

7 DFO ANDA RAY: Right.

8 MR. RANDY MCADAMS: So, I mean, we
9 will take that as counsel from this group that we
10 need to be very clear and precise on how that is
11 being treated in the final.

12 MR. RON FUGATT: It does have a
13 statement that says existing commercial recreation
14 agreements are excluded from this study, is that what
15 you're talking about, page 19?

16 FACILITATOR WILSON TAYLOR: Just a --
17 one anything, Randy, as a process check, if you can
18 remember that when you have a comment, if you would,
19 put your name tag up so we can make sure everybody
20 gets their say.

21 Deb, you had a comment earlier.

22 CHAIR DEBORAH WOOLLEY: Yeah, I

23 just -- and I think because I have been involved a
24 little bit in it I -- because this is something new I
25 think we're all looking to it for what we think it
1 ought to be. And maybe, Anda, if we can back up just ³⁹
2 a little bit. You talked about it being an
3 eight-lane highway. It's not really an
4 implementation document for the staff. It's -- it's
5 a policy direction. Five-year reviews built in to
6 see progress that's being made.

7 Can you kind of just tell us what
8 you-all envisioned with this plan and maybe won't get
9 as far down in the roots and meats?

10 DFO ANDA RAY: Yeah. Right now I
11 think TVA had gone from having appropriated funds,
12 which means that some of those funds were really --
13 the priorities were directed by -- by the government
14 and where the particular -- to be blunt, where the
15 particular political interest were at the time for
16 the appropriated funds.

17 And so when we don't we no longer have
18 appropriated funds in 2000. Then all of that was
19 picked up by the ratepayers. And so TVA said we had
20 to maintain a certain level of essential stewardship,
21 that's what Congress said when they eliminated
22 funding and said that you would pick that up with the

23 ratepayers.

24 Well, there was no other guidance in
25 that. So I think we have kind of tried to do the
1 best we could from the year 2000, but where do you 40
2 decide which programs you tone -- you tune -- you
3 turn back on and which ones do you get more
4 progressive on and how does this align with the
5 mission that TVA was given by Congress -- the bigger
6 mission for stewardship?

7 Okay. So all that said is that there
8 were things we were doing where, gosh, when we were
9 getting appropriated funds we were one of the top in
10 the nation on water quality initiatives and
11 partnerships. And EPA came and they looked at us and
12 they started those programs throughout the rest of
13 the nation, and then we just fizzled on that. In the
14 meantime everybody else picked up water -- water
15 quality and water improvement initiatives.

16 So now it's like, okay, what's your
17 role, TVA, and how do you play in this whole role?

18 So by taking these segments of
19 biological and cultural, recreation, water resources,
20 and land planning, those are the four hunks that
21 says, what should be your focus? What would be your
22 priorities? Should you be trying to be the best in
23 the nation? Should you be trying to say let's
24 just -- let's meet the commitments regulatory and

25 legislative-wise?

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1 So that's the guidance that you're
2 providing. So when a dollar becomes available, the
3 custodial program will go, are we meeting your
4 requirements? Yes. Well, the next dollar doesn't go
5 to the custodial program. The next dollar goes to
6 the flagship program or the flagship item off the
7 shelf in your grocery basket.

8 So that's what will help us, which is
9 a slightly different approach than the IRP which had
10 much more definitive ability to say, here's the
11 cost-effective solution, and by the way, imposed on
12 of that we're going to look at some renewables and
13 expanding the renewables and expanding energy
14 efficiency. We don't have the luxury of having that
15 clear economic driver.

16 Does that help at all?

17 MR. PAUL SLOAN: Yes.

18 MR. RON FUGATT: I was just going to
19 say I -- maybe I should save this until later, but
20 one of the -- one of the things that's mentioned in
21 the plan is that, you know, the recreational
22 activities attract 6 million people. What I don't
23 see in the plan is is what the dollar economic
24 benefit to the Valley is for all of these -- for
25 these programs, and that may have been done in the
1 economic analysis, but there's no doubt that there is

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2 jobs and there's taxes and all kinds of benefit to
3 everybody because of the recreational things.

4 He wouldn't have a business if it
5 wasn't for the lakes, right? You see what I am
6 saying?

7 And I didn't see that in the plan. I
8 saw one statement that it attracts 6 million people,
9 but that was not converted to dollars. These are the
10 things that make it more attractive to ratepayers
11 when they say, hey, my dollars that go into this has
12 helped create -- all of these jobs over here are
13 created by my taxes and all the other things, and I
14 didn't see that in the plan at all.

15 DFO ANDA RAY: That's a good point
16 because when we do -- sorry, when we do generation
17 planning there's a direct cost and benefit to the
18 rate, but there's an indirect benefit to the local
19 economy through second order of businesses. We
20 haven't addressed that. That's a really good point.
21 Thank you.

22 FACILITATOR WILSON TAYLOR: Avis.

23 MRS. AVIS KENNEDY: Related to what
24 Ron was saying, it's my understanding the 6 million
25 that's reported is to TVA managed or operated areas
1 and dispersed and that it does not count visitation⁴³
2 to areas that are leased to states, municipalities,
3 counties, marinas.

4 I think it's -- really the agency is
5 selling itself short if it does not try to find a way
6 to estimate, at least, the amount of visitation that
7 it's going to -- that's occurring on TVA projects
8 that just people are getting onto the project through
9 the out-granted areas like the marinas and so forth
10 because all of that contributes to the economic
11 benefit just as much and in some cases more so.

12 The economic benefit of somebody going
13 to a marina and renting a boat and going out for a
14 week is really going to be bigger than somebody who
15 just goes out and paddles around or goes for a hike
16 for a day.

17 FACILITATOR WILSON TAYLOR: Deb.

18 CHAIR DEBORAH WOOLLEY: I just wanted
19 to add into what Ron said, I think because this kind
20 of sits as a -- as a companion to the IRP, although
21 it's a little bit different animal, I know in the IRP
22 in a very small way we did reach into some economic
23 development and we did reach into some stewardship,
24 and I think by blending it into this with the
25 economic impact of it, the overall, it addresses the
1 whole mission of TVA instead of saying we have got⁴⁴
2 three or four buckets and we just do what this says
3 TVA as an entity is doing and --

4 MR. RANDY MCADAMS: Good counsel.

5 CHAIR DEBORAH WOOLLEY: -- there is

6 some merit.

7 MR. RANDY MCADAMS: Bring the economic
8 development impacts in a little bit more stronger.

9 CHAIR DEBORAH WOOLLEY: Because it
10 makes it a whole.

11 FACILITATOR WILSON TAYLOR: Mitch.

12 MR. MITCH JONES: Wilson, thank you.
13 Just -- I have got two, two. The first one is why --
14 why not include -- why was it excluded, I guess is
15 the better question, commercial recreation, because
16 it is dispersed land to marina operators?

17 DFO ANDA RAY: Right. Well, I think
18 the primary reason is we were looking at what to do
19 with those zones that were not already identified for
20 commercial or industrial or developed recreation. So
21 we were looking at the piece that was the -- that had
22 no attention.

23 The other one has been given attention
24 by saying you're already designated as a -- as a
25 commercial recreation or a developed recreation area
1 and we had guidelines associated with that. 45

2 Does anyone have any other -- staff,
3 any other input into -- this primarily looked at the
4 natural resource area because they had no guidance,
5 they -- that was the reason why, and we had been
6 working with you on the guidance for those areas. So
7 it didn't need an additional over -- there's nothing

8 else to add to that.

9 MR. MITCH JONES: But we know that if
10 we're -- if you're going to the public to fund
11 actions of the TVA throughout the Valley system one
12 of the drivers to get me to say yes to you to -- for
13 the TVA to increase my rates to offset some of the
14 funding challenges that we have, if I heard the
15 terms, well, the marina industry in the State of
16 Tennessee represents \$8.2 billion of the economic --
17 you have heard this story.

18 DFO ANDA RAY: I've heard you say
19 that, but keep going.

20 MR. MITCH JONES: So if I hear
21 \$8.2 billion in economic impact just in the State of
22 Tennessee, if you include the State of Kentucky it's
23 11.4 billion, how many jobs am I creating? How
24 many -- you know, there's 23 cents a gallon in gas
25 tax in the State of Tennessee, which over the next
1 two years we all know is going to change in some way. 46

2 So that represents -- for every
3 quarter penny of gas tax is 70 billion -- excuse me,
4 every penny it's \$70 million that goes to the -- I
5 mean, there's -- it just goes on and on.

6 So if I am asking my customer base to
7 accept rate challenges in the future, there has to be
8 an offset in their eye that says the economic impact
9 of what we're doing in all four of these areas is

10 beneficial to you living in this geography.

11 DFO ANDA RAY: Right. I see your
12 point, and let me offer this. This is open for
13 discussion.

14 So on the commercial and -- on
15 commercial leases that we have, TVA is not imposing
16 any impact on the ratepayers because of those leases.
17 In other words, we give the lease to a private
18 entity. They are going to make money off of that and
19 TVA gets a payment back from them from those lease
20 fees or those easement fees that we reinvest for the
21 public who now has access through a private entity
22 but they no longer have access for open dispersed
23 recreation.

24 So it's not included in the -- this
25 is -- I am putting this out, but this is for
1 discussion, it's not included the Natural Resource
2 Plan because those commercial facilities are not a
3 burden to the ratepayers. They don't pay anything
4 for that. In fact, we get money back that we
5 reinvest in these natural resource areas.

6 Everything you're talking about today,
7 the natural resource areas, the ratepayer is paying
8 for it, but they are not paying for the commercial
9 right now. But that's a reason where we can say why
10 it's a good idea to have commercial leases is because
11 you're getting \$8 million of economic development.

12 So we can say the public is benefiting. I am
13 throwing that out. That's that kind of like a
14 different opinion.

15 FACILITATOR WILSON TAYLOR: Avis.

16 MRS. AVIS KENNEDY: So is the cost of
17 overseeing the leases, you know, the paperwork,
18 drawing up leases, collecting rent, compliance
19 inspections of the facilities, and processing things
20 like lease expansions or approving facilities, is all
21 of that funded from the rent that the concessionaires
22 pay?

23 DFO ANDA RAY: And Bruce, you need to
24 correct me if I am wrong, but under the new fee
25 structure TVA as a whole would be kept whole, would
1 be kept whole, TVA would recover -- 48

2 MR. MITCH JONES: It would be a
3 neutral.

4 DFO ANDA RAY: It would be a revenue
5 neutral.

6 MR. MITCH JONES: Now it's not. I'm
7 sorry.

8 DFO ANDA RAY: Thank you, Mitch. Now
9 it's not.

10 MR. MITCH JONES: Now it's not. We're
11 an advocate.

12 DFO ANDA RAY: Thank you.

13 MR. MITCH JONES: Bruce will tell you

14 that I am an advocate that TVA is neutral. Although,
15 it impacts about -- probably one of the reasons why I
16 am here today is Anda recognized that I'm not this
17 idiot out here that's saying you're -- we're not
18 doing it, we're not doing it, we're not doing it.
19 There's a balance to be had.

20 But at the end of the day it has been
21 a revenue negative matter for the TVA in the past and
22 cost the Valley system -- Ron could have a commercial
23 operation supplying services to the public and paying
24 \$1,500 a year and Randy could have one in North
25 Alabama paying 150,000 a year.

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1 We had this disbursement problem in
2 terms of the leases and easements that has been
3 solved. So in the future it will be a revenue or a
4 cost neutral position for the TVA, provided that
5 Bruce and James don't build a monolith of an
6 organization, which I don't believe that's happened
7 by any stretch of the imagination.

8 DFO ANDA RAY: Thanks.

9 MR. RANDY MCADAMS: Good points.

10 Well, with that let me press on to the individual
11 presentations by resource area, but before we do that
12 we're going to start with a discussion of public
13 engagement which is a key part of the draft NRP.

14 And to do that, again, we're going to
15 follow that agenda that I outlined on the previous

16 slide, but our first discussion is going to be on
17 public engagement. We're going to ask Tiffany Foster
18 who is the specialist in partnerships and educational
19 outreach to give us a ten-minute overview of that.
20 And we'll just keep going until we get told to --

21 FACILITATOR WILSON TAYLOR: What we
22 like to do is take a quick break before Tiffany
23 starts there to do some other admin.

24 MR. RANDY MCADAMS: Okay.

25 FACILITATOR WILSON TAYLOR: So, 50
1 Tiffany, if you could hold off, we will take a
2 15-minute break and then we can come back and have
3 some updates on the admin.

4 (Brief recess.)

5 CHAIR MR. TOM LITTLEPAGE: Deb has a
6 personal issue. Her aunt passed away. So she's
7 doing the funeral today. So she has had to leave to
8 go to Oak Ridge and asked me, since I had some
9 minimal experience in this, if I could help out. So
10 I will act as just temporary Chairman in Deb's
11 absence and then we will proceed on.

12 So there is some sensitivity to the
13 schedule because we are trying to work these
14 weather -- weather issues, but we're going to go
15 ahead and let Randy continue with some of the program
16 area discussions as is set out on the schedule.

17 Randy.

18 MR. RANDY MCADAMS: Well, again, we
19 will watch the weather very carefully. It looks like
20 there's a very bad storm that's just about to hit us,
21 and I understand it's already hit Chattanooga in a
22 pretty bad way and I was -- I'm sorry, Anda, go
23 ahead.

24 DFO ANDA RAY: No. Thank you. We
25 have had to -- the people that are in Chattanooga
1 already have had to go to the building. We have 51
2 closed down one of our watershed offices. The
3 Chickamauga Dam is out -- our Chickamauga area is out
4 of power, even though the storm has passed.

5 We are not taking you out, not to
6 McClung Museum, not to the campgrounds. It's just
7 about to pass through here. They said there's up to
8 golf ball size hail. As soon this front passes, we
9 have about an hour and a half and then another front
10 will pass that's even more severe weather. So you're
11 stuck with us today. You may have a little free
12 time, and I am glad your hotel is really close.

13 FACILITATOR WILSON TAYLOR: Randy.

14 MR. RANDY MCADAMS: Well, I want to
15 come back to the agenda. I will sort of re-introduce
16 the process we're going through. Again, we're going
17 to walk through the five resource areas.

18 Before we do, we're going to start
19 with public engagement, kind of the structure from a

20 slide or two ago. We're going to talk about the
21 objective of this resource area, the critical success
22 factors, and then the strategic program mix that are
23 in blended priorities and kind of the benefits that
24 TVA sees of that.

25 The purpose of these discussions are
1 to get input from that side of the table, what your⁵²
2 thoughts, advice, counsel, input, et cetera. So it's
3 to present TVA's view at this moment and then get
4 input from the other side of the table.

5 So with that, I will introduce Tiffany
6 again. Tiffany is the specialist in partnerships and
7 educational outreach, and she will talk about public
8 engagement.

9 MS. TIFFANY FOSTER: Good morning.
10 Sorry I was a little slow getting up. I wanted to
11 make sure I was actually going to get to talk to you
12 guys and hang out.

13 I would like to mention my name is
14 Tiffany Foster. I'm our partnerships and outreach
15 education specialist for the land and shoreline
16 management.

17 And today I'm just going to briefly
18 touch on some of the programs that are on public
19 engagement, and these are the programs that go kind
20 of above and beyond our custodial level, things that
21 TVA is required to do within regulations or policy.

22 The key focus of these groups and
23 programs -- sorry, that would be helpful -- our
24 public outreach and awareness and education and
25 involvement, developing a coordinated approach,
1 working with our partnerships and our partners to 53
2 promote our stewardship efforts and theirs and
3 working to protect renewable resources. So these
4 programs that I am going to go over are kind of
5 overarching all of the program areas that TVA has
6 included in the NRP.

7 So the first program I'm going to go
8 over is the environmental education program. And
9 like I said before, this will cover our recreation
10 and our natural resource management, biology,
11 cultural management, and water resources.

12 And what we're trying to do is develop
13 a set of environmental education programs that we can
14 go out and talk to the public, talk with other
15 agencies and corporations and communities and kind of
16 let them know that this is what TVA is about when we
17 talk about resource management and kind of help
18 increase people's awareness that we have these great
19 resources in the Valley and we'd really like for them
20 to help work with us to protect them and take care of
21 them and kind of highlight a little bit some of the
22 roles we can all play to take care of those
23 resources.

1 just kind of a short overarching. It does not, I
2 guess, take away from the programs that we have that
3 are education that are throughout the other resource
4 areas. This is just kind of taking a broader
5 approach to just support those programs as well.

6 DFO ANDA RAY: So did you talk about
7 what they would see differently? You said there is
8 some things that I would like to do, is that the part
9 where you would see differently?

10 MS. TIFFANY FOSTER: Currently it's a
11 big difference from what we do now versus what we
12 would do in -- previously we do have folks across all
13 of our field offices in TVA within our land and
14 shoreline management that go out and talk to Rotary
15 Clubs or we talk to Garden Clubs or we will pretty
16 much go anywhere people ask us to do. We try to be
17 really accommodating.

18 They will ask us just, hey, tell us
19 about TVA and the resource work, and that's great and
20 we love to get out to the Valley and we love to talk
21 to people, but one of our -- I guess the way we're
22 currently set up was we don't really have an
23 organized approach on how to field all of those
24 requests and also how to make sure that everyone,
25 whether you get, you know, me in Knoxville or you get

1 one of my colleagues in Gunter'sville or someone out
2 in Paris, Tennessee, whether you get the same

3 consistent messaging and whether they are all telling
4 you, you know, the full story of TVA.

5 So I think we're doing a great job now
6 at getting out and talking to folks. This will just
7 really help us manage the requests better and make
8 sure that we have consistent messaging across and
9 really promote the resources of the Valley.

10 I think the volunteer program I
11 touched on, we currently do use volunteers on kind of
12 an event-by-event or a case-by-case basis. It's
13 where we put out calls for volunteers, but we would
14 like to have a little stronger program where folks
15 can maybe have a long-term commitment with TVA and
16 work with us, again, just trying to have an organized
17 approach so we can handle the volunteers that we --
18 that we get requests from, and then we can make sure
19 we're giving everyone the opportunity they want to
20 have.

21 MR. PAUL SLOAN: Tiffany, just with
22 respect to the educational program, I would just
23 encourage over the span of the plan to consider, one,
24 I know you have a fairly robust program in the
25 schools for the -- on the energy side. Has that --
1 to begin to think about integrating that -- those
2 educational efforts on the energy side with what I
3 would call the ecological literacy side and to do it
4 both in school and to the broader population to

5 give -- you know, to look at more coordination among
6 the educational efforts across the state to develop
7 deeper ecological literacy among people of all ages
8 in the state and you've got such great resources to
9 develop that.

10 DFO ANDA RAY: And it might be that we
11 will touch base with the energized guys and once they
12 finish that entire wave through the schools, maybe
13 the next wave is natural resources.

14 MS. TIFFANY FOSTER: And this is
15 great -- we have put out some feelers to them just
16 discussing kind of, hey, you know, is there a way we
17 can hook up?

18 They also do some of like the energy
19 plays and energy programs -- I don't know if that's
20 what you're talking about -- with school kids, and we
21 have talked to them about if -- you know, if everyone
22 decides they want us to move forward on this program
23 and everything kind of aligns well for us, they are
24 open to the idea of, you know, having -- including
25 natural resource management, water resource
1 management within their -- the skits and the plays
2 that they do for school kids.

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3 MR. PAUL SLOAN: Yes. And there's --
4 for education TWRA has a number of programs since
5 the -- TEA, Tennessee Environmental Educators
6 Association, all of those there is a need, I think,

7 or a benefit to at some point convening those
8 educators across the state from the different
9 agencies that do a -- to have that discussion of how
10 do we -- how do we coordinate our -- you know, our
11 efforts. That's a great idea.

12 MS. TIFFANY FOSTER: Yeah. That's a
13 great idea.

14 FACILITATOR WILSON TAYLOR: All right.
15 Ron.

16 MR. RON FUGATT: This is probably more
17 of a general question, but it goes back to what Paul
18 was talking about. In looking at the appendices,
19 since there's no custodial in the environmental
20 education program, do I assume nothing is being done
21 now?

22 MS. TIFFANY FOSTER: Well, we
23 currently do have -- sorry, I didn't mean to blast
24 you. We currently work in different resource areas.
25 Like within the water resource area, there is an
1 environmental education program. And within cultural 59
2 resources, there is an environmental education
3 program, Thousand Eyes Program. Within recreation
4 they have some environmental programs as well.

5 The attempt for the public engagement
6 programs was to develop like an overarching program
7 where we could talk to them about all of our
8 resources together, and kind of like what Paul said,

9 really try to coordinate with other agencies and with
10 other schools and so it's not -- they are not just
11 getting one piece of the picture, but they are really
12 getting a whole picture of the natural resources
13 within this area.

14 MR. RON FUGATT: So the answer to the
15 question is there's nothing being done as far as
16 overall now, is that the answer?

17 DFO ANDA RAY: Yeah. Let me -- let
18 me -- it means if you pick custodial for public
19 engagement, there's no requirement for us to do that.
20 She would cut back on what she's doing.

21 MR. RON FUGATT: Okay.

22 DFO ANDA RAY: So thanks for bringing
23 that clarification up.

24 MS. TIFFANY FOSTER: We're going above
25 and beyond right now.

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1 FACILITATOR WILSON TAYLOR: Other
2 questions for Tiffany?

3 Yes, sir, Mark.

4 MR. MARK IVERSON: I was just kind of
5 looking on page 2, the little bar at the bottom. It
6 looks like a ten-fold increase in the current spin in
7 the different -- how does that fall across between
8 education and communication pieces and signage versus
9 volunteer programs? Is it even split? Is it --

10 MS. TIFFANY FOSTER: I think the --

11 and again, this is --

12 MR. MARK IVERSON: Where is the dollar
13 emphasis, I guess?

14 MS. TIFFANY FOSTER: These are just
15 proposals, and a lot of this would include, like I
16 said, a little bit of everything hitting on our -- on
17 our critical subfactors. So some of it would be for
18 our communication for us developing outreach and
19 education programs and for our staff being able to go
20 out and to deliver this information and coordinate
21 with other agencies and with internal TVA as well in
22 delivering the programs.

23 It would also be to support our
24 volunteer efforts. With some of the cases of our
25 volunteer programs, we would supply them with tools
1 or with -- if they are planting trees we would 61
2 perhaps buy trees or things like that. So it's a
3 little bit of everything.

4 Also, this is -- I guess this is still
5 kind of what we're proposing to do. So it's
6 something, I guess, we're probably open and
7 definitely hoping that we will get from you guys if
8 you feel like we should do something more.

9 FACILITATOR WILSON TAYLOR: Anda.

10 DFO ANDA RAY: The 7 to 10 million
11 dollars represents today what we are spending in
12 these natural resource areas, and that's primarily in

13 Bruce's organization. And if you were asking what
14 the breakdown of that was, generally most of it is
15 labor. All right. Then if you want to add anything
16 else to that, you don't have much capital right now.

17 MR. BRUCE SCHOFIELD: No. This is
18 generally all.

19 DFO ANDA RAY: So it's generally
20 labor. We have about a million dollars to do repairs
21 on boat ramps in the seven states over 11,000 miles,
22 which isn't a whole lot of money. And there's no
23 money to replace signs or do signage either at
24 commercial facilities or at public facilities.

25 So that's one of the things that an
1 enhanced or -- I mean, a blended or advanced option ⁶²
2 would allow us to do is to say that's what the
3 increase in money is for. So most all of this is
4 labor.

5 Right now we're looking at around --
6 you know, we have got 11,000 miles, and if you just
7 look at the 183,000 acres you're talking about one
8 person per 300 -- 250 to 300 miles of shoreline, one
9 person, and one person per 100 acres to 200 acres of
10 land. So that's kind of why it's mostly labor.

11 MR. PAUL SLOAN: Anda, could you say
12 that again? It's FTE per --

13 DFO ANDA RAY: It's about one FTE per
14 250 to 300 miles focused on natural resource in that

15 7 to 10 million.

16 MR. PAUL SLOAN: And how many FTE's
17 per acre?

18 DFO ANDA RAY: Probably around 150 to
19 200 acres, one FTE per with 250. And you know, those
20 are just approximate numbers because we do -- we do
21 have the commercial side and we have got other people
22 that are working in Bruce's organization, but they
23 are working on other issues.

24 And Bruce, I don't know if, you know,
25 you want to add anything to that.

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1 And we are -- we have benchmarked
2 that, by the way, and what he finds is that the
3 number -- if you look at all of the land that TVA is
4 managing, and the only people we could compare to
5 right now would be the Corps of Engineers and for
6 every -- for ten FTE that we have to -- for every ten
7 FTE we have, they have about 19 FTE to manage to
8 doing the same functions, but that's just a one data
9 point. It was comparing the Nashville Corps of
10 Engineers' office to TVA because it was about the
11 same size.

12 FACILITATOR WILSON TAYLOR: All right.
13 Mitch.

14 MR. MITCH JONES: Tiffany, just one
15 thing for you. Again, I'm not sure you're aware, but
16 two weekends ago one of our properties in North

17 Georgia sponsored a clean-up day for Lake Chatuge and
18 TVA provided all the bags and everything that's
19 needed to do that.

20 And we used the local -- a lot of the
21 local high schoolers and middle schoolers from Young
22 Harris and Hiwassee, Georgia were involved in that.
23 And it was really out of the Murphy -- where's my
24 Murphy guy at? It was out of the Murphy office down
25 there. So it was a public awareness and fits right
1 in this category. The kids enjoyed themselves. 64

2 MS. TIFFANY FOSTER: And, you're
3 right, it -- and we love doing programs with that,
4 and that -- that kind of takes care of -- it's in our
5 public awareness with some of our volunteer programs
6 and this -- you know, as you guys -- April 22nd was
7 Earth Day.

8 So TVA and a whole lot of other people
9 worked to do a lot of programs, you know, on public
10 lands and on private properties and things to, you
11 know, do things and increase awareness of resources.

12 Some of the things that TVA was doing,
13 we had 12 projects Valley wide, and some of those we
14 were doing -- you know, basically, like I said,
15 providing guidance and providing bags and gloves for
16 clean-ups and sometimes we were a little more
17 hands-on doing trail cleaning ourselves and things
18 like that.

21 of -- one of the things that's kind of along the
22 lines of what Mitch has alluded to, looking at the --
23 these public engagements and figuring out ways to
24 provide education on the benefit, you know, one of
25 the struggles, one of the efforts underway in this is
1 to look at the benefit component of some of these 66
2 program initiatives.

3 But one of the things we can't lose in
4 this is to the degree you can use outreach and
5 coordination efforts, for example, lake clean-up
6 where TVA will throw \$1,000 or \$1,500 into something
7 and they get a \$10,000 benefit, if you can begin to
8 capture what these things are or working with it --
9 as Paul alluded to in Tennessee, and I know in
10 Alabama, there is an environmental education
11 component within the public school system.

12 So to the degree you can provide
13 supplies, materials, working with those school
14 coordinators, and you get a huge media benefit in
15 terms of educating different age of school kids, what
16 does that -- what is that benefit, both in terms of
17 dollars and then in broad-based environmental
18 education and understanding kind of thing?

19 MR. MITCH JONES: He said that very
20 well.

21 MS. TIFFANY FOSTER: Yes, he did say
22 that very well.

23 MR. RANDY MCADAMS: Well said.

24 FACILITATOR WILSON TAYLOR: Other

25 questions for Tiffany?

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1 Randy.

2 Thank you, Tiffany.

3 MR. RANDY MCADAMS: I'm very

4 impressed. I've got four teenagers. I can't get

5 them to clean up my (sic) room, clean up their rooms.

6 MR. MITCH JONES: Feed them hotdogs

7 and hamburgers and it works really good.

8 MR. RANDY MCADAMS: There we go. The

9 next resource area we're going to talk about is

10 biological resources, and to lead us through that is

11 Bo Baxter who is the specialist aquatics biologist.

12 MR. BO BAXTER: Thanks for having me.

13 I want to keep going with Tiffany's theme on

14 education and outreach, education about our

15 biological resources and our cultural resources, and

16 all the resources of the Valley is very important.

17 That's something that has been overriding in all of

18 the conversations that we have had about the NRP is

19 education outreach, let people know what's out there,

20 let people know how to protect them.

21 Biological resources is where I am

22 interested. So looking at biological resources --

23 can I have the slide, please?

24 Okay. Technology. For biological

25 resource programs, all of you are aware of how much
1 biology there is in the Valley. We're one of the 68
2 most diverse areas in the entire country. And in the
3 world we're a biological hot spot.

4 So taking care of those biological
5 resources has always been very important to TVA and
6 will continue to be important. So we want to meet
7 our stewardship responsibilities through sound
8 management for those resources, and that sound
9 management crosses over into management of the
10 recreation resources, management of the river system,
11 management of our power system. So sound management
12 of those resources is very important.

13 And we want to maintain our lands in
14 good condition. A lot of people use our lands. And
15 one of the main uses of our lands is recreation.
16 Informal recreation is probably the highest use of
17 TVA lands. So we want to protect those resources.
18 We want to develop environmentally sustainable
19 recreation.

20 People are going to be out there doing
21 things anyway, camping, hiking. We want them to do
22 it in the right way so that it doesn't impact those
23 other sensitive resources that are out there.

24 Integrating these programs into all of
25 our activities is another goal. When we operate the
1 river system, we want to consider biological 69

2 resources, make sure they are protected. When we do
3 recreation, we want biological considerations and
4 cultural considerations integrated into that.

5 Relationships and partnerships are
6 very important to that. We have to work with the
7 state. We have to work with the Fish & Wildlife
8 Service. We have to work with the Corps to make sure
9 that all of these things go the way that they need to
10 to protect the resource.

11 Then we want to be able to inform
12 TVA's decisions. We have to deal with the biology.
13 We have 135 endangered species in the river system in
14 the Valley. We're going to have to deal with them.
15 So the Agency needs to know how to deal with them in
16 the right way.

17 Right now we have 3 or \$4 million in
18 our biological resource programs. Looking at the
19 blended alternative, we would be stepping that up
20 doubling it or tripling it, depending on which number
21 you use, to 8 or \$9 million just a broad target
22 funding.

23 When we talk about our lands it -- and
24 I want to refer you to page 91 in the Appendix, this
25 is where we list all of our programs. I'm sorry.
1 That thing is loud when I get closer. Again, with
2 the custodial, if it's listed as custodial, we will
3 do that.

4 Right now I am only talking about the
5 blended alternatives, those where we will be doing
6 something with a more advanced effort, but there are
7 a lot of programs under biological resources that we
8 will continue to do and are committed to doing.

9 This group, biological, has a lot more
10 programs maybe than any of the other ones. So I want
11 to assure you that they are still going on, but some
12 of them we're going to do better than we're doing
13 now.

14 One of those is land condition
15 assessment and land stewardship maintenance, we want
16 to get out there and catalog what's going on on our
17 lands. Where are people using our lands?

18 Are they camping? Are they using
19 four-wheel drive vehicles? Are they off-roading on
20 our lands? We want to assess the conditions of those
21 lands and work to improve those areas where we need
22 to.

23 Last year we had a goal of assessing
24 15,000 acres of lands. Our folks got out there and
25 really worked hard and got 24,000 done. Our target
1 under what we're planning now is to assess 35,000
2 acres of land each year, and that would put us on
3 about a ten-year cycle to run through all of our
4 lands and look at them as we come up with management
5 plans.

6 So assessing what's going on there,
7 identifying those needs is very important, and that
8 ties over into the resource protection, establishing
9 natural areas for unique resources that we find out
10 there, and how those recreation users are using the
11 land.

12 Boundary maintenance is another big
13 part of that. If folks don't know where our lands
14 are, then they don't know how they should behave on
15 our lands. So establishing those boundaries,
16 refreshing those boundaries, we need to get back out
17 there and let people know where TVA's lands are and
18 what they can do on those lands once they know where
19 they are.

20 Forest resource management is
21 something that TVA had a huge hand in when we started
22 in the '30s. TVA reforested the Valley. We have
23 kind of drifted away from those forestry management
24 practices. Most of the land that we have now is in
25 forest and to support those other uses, to support
1 camping and hiking and birding and natural resource
2 protection. We need to manage that forest. So we
3 want to get back to some of those forestry management
4 practices that enable other uses of the land.

5 Migratory bird management is a very
6 big issue right now. And with migratory birds we
7 have had a very good partnership develop that came

8 out of our Reservoir Operations Study. We have been
9 working over the past five years with Tennessee
10 Wildlife Resources Agencies, Alabama Department of
11 Conservation, U.S. Fish & Wildlife Service, other
12 non-governmental organization partners to study shore
13 bird use of our reservoirs.

14 That shore bird working group has been
15 a very successful partnership, and that's the kind of
16 thing that we want to continue. We want it to
17 continue for the river system and our lands to
18 provide value to migratory birds.

19 The dewatering projects are a part of
20 that. That's probably the one big capital piece for
21 the biological resources we manage. I can't remember
22 the numbers, 30,000 acres of dewatering areas that
23 are in conjunction with the U.S. Fish & Wildlife
24 Service refuges, and we maintain those for shore bird
25 use. We need to keep the levies up to support those.

1 We need to maintain those areas. So that's one
2 capital expense that TVA is looking to put some
3 dollars to.

4 Our natural areas program, when we
5 find a unique area that needs to be protected, we
6 need to identify that and take care of it. Currently
7 we have about 150 natural areas. We have not been
8 looking at those maybe as much as we should.

9 We want to get back to it and get them

10 on a cycle of review for needs. If we need to go out
11 and fix a trail, if we need to go out and put in a
12 bridge, we can identify that need and take care of
13 it.

14 And we need to have a way to nominate
15 and put new natural areas on the list or maybe take
16 areas off the list that aren't appropriate anymore.
17 So coming up with a comprehensive strategy and plan
18 for our existing natural areas and for any new
19 natural areas we might develop is one of the big
20 goals of the biological resources part.

21 The natural areas provide all sorts of
22 other uses, wildlife viewing, hiking, camping. So
23 public use of those natural areas is something that
24 we want to promote and encourage through education
25 outreach.

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1 And I touched on dispersed recreation.
2 The No. 1 use of those lands is people getting out
3 there and hiking, camping, fishing. We want to make
4 sure that people are out there using the lands
5 appropriately.

6 If it's not appropriate to be
7 four-wheeling on that land, we don't want people
8 doing it out there. If it is, if we've got an area
9 designated for that, maybe that area is encouraged.
10 So we need people to know what they can do on our
11 lands.

12 And they are going to use our lands.
13 There's going to be recreation out there. If we can
14 manage it, it can reduce impacts to the endangered
15 species, to the cultural resources that are out
16 there, to anything else we might run across.

17 Endangered and threatened species, I
18 mentioned there's 135 endangered species across the
19 power service area. We need to take care of those
20 resources where they are on our lands.

21 We currently have an active monitoring
22 program on several species. We do cave gates, I
23 think you folks have heard about that before, for the
24 gray bat with white nosed syndrome. This is a
25 disease that's running across the country and wiping
1 out major populations of bats. 75

2 TVA has the opportunity to step up and
3 do some things for those species because we have the
4 lands and we have the caves and so we can manage
5 these things. And that's a great partnership
6 opportunity in working with the states, working the
7 service.

8 It also protects cultural resources.
9 A lot of our caves were also used by other folks
10 before we got there. So when we gate a cave for a
11 bat, you're most likely protecting other very, very
12 sensitive resources.

13 2, manage the data about where things

14 are and how we should protect them. We have the TVA
15 Natural Heritage and Wetlands database where we track
16 those 135 species and a lot more. We track champion
17 trees. We track the wetlands that are in the Valley.
18 We need to know where things are in the landscape so
19 we can make decisions to avoid impacts to those, to
20 minimize impacts to those, or when we can, avoid it
21 or minimize it. We may need to do something extra to
22 take care of that resource. So keeping track of that
23 data that we gather through our land analysis process
24 is what we do in these databases.

25 That's it, I think.

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1 FACILITATOR WILSON TAYLOR: Renee,
2 question?

3 MRS. RENEE HOYOS: Yeah. I'm back on
4 the grid. It made sense last night when I read it
5 and now I'm all confused.

6 So for the -- let's just take as an
7 example the TVA Natural Heritage Database, it appears
8 to me that these -- these columns and rows may be
9 redundant because I'm wondering how a program can be
10 or how this program can be both custodial -- all
11 custodial, blended, and advanced as well as enhanced
12 and flagship.

13 Do you see what I'm saying?

14 It looks like program -- this
15 particular thing is all of those and you'd think it

16 would be --

17 MR. RANDY MCADAMS: What page?

18 MRS. RENEE HOYOS: This is page 92.

19 MR. BO BAXTER: Page 92, 93. The
20 difference in custodial, blended, and advanced in a
21 program like that is the level of effort we put
22 toward it.

23 MRS. RENEE HOYOS: But it looks like
24 you're putting all levels of effort towards that
25 particular item.

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1 MR. BO BAXTER: There is another
2 table.

3 MRS. RENEE HOYOS: Right. But it's
4 just this one row. See, the row is like that.

5 MR. BO BAXTER: It's that diagonal
6 row.

7 MRS. RENEE HOYOS: So it looks like
8 it's getting custodial, blended, and advanced of this
9 program.

10 MR. PAUL SLOAN: Under the blended it
11 will get enhanced and under advanced it will get --

12 MRS. RENEE HOYOS: So these choices
13 that we're going to make -- like you've -- at some
14 point we're going to choose one of those checkmarks,
15 is that how it works?

16 DFO ANDA RAY: Yeah. Yeah.

17 MRS. RENEE HOYOS: Auh. Okay. Okay.

18 Okay. I think I get it now.

19 DFO ANDA RAY: So in that case you may
20 think, well, on migratory birds that's nice, Bo, but
21 we're just going to do custodial, what you're
22 required. So you're going --

23 MRS. RENEE HOYOS: For that program?

24 DFO ANDA RAY: -- put in your shopping
25 cart the custodial piece. You may have gotten
1 blended for threatened or endangered -- or enhanced
2 for threatened and endangered species.

3 MRS. RENEE HOYOS: So if go down that
4 page to conservation planning, blended is not an
5 option?

6 MR. BO BAXTER: Blended, we will
7 implement that at custodial. We will continue to
8 participate in regional planning groups and things
9 like that, but we're not proposing to do anything
10 above the level that we're doing right now.

11 MRS. RENEE HOYOS: But you have also
12 got advanced and --

13 MR. BO BAXTER: And those -- the
14 checkmarks only show up in the advanced. So you have
15 custodial and then it's blank in blended, the
16 checkmark.

17 DFO ANDA RAY: Okay. That is
18 confusing.

19 MR. BO BAXTER: That is confusing.

20 DFO ANDA RAY: You've got -- we have
21 got to look at that because you should --

22 MR. BO BAXTER: It is the --

23 DFO ANDA RAY: -- be able to look down
24 and pick the custodial and say, what are you going to
25 do in custodial? You should be able to pick all the
1 blended and say, blended is my grocery cart, but you
2 should have a checkmark there unless -- since there's
3 one in custodial you should have one in blended. So
4 if there's none in custodial, I could understand,
5 but, yeah, thank you for pointing that out.

6 MRS. RENEE HOYOS: And then what do
7 the lines mean, the hashmarks?

8 MR. BO BAXTER: The lines mean these
9 are programs that we would not be implementing under
10 the custodial option.

11 MRS. RENEE HOYOS: Got you.

12 MR. BO BAXTER: So Leave No Trace
13 under custodial is not a required program. We would
14 be implementing Leave No Trace activities.

15 MRS. RENEE HOYOS: At the flagship
16 advanced level? So you're only going to implement
17 the program if it's at flagship or advanced?

18 MR. BO BAXTER: Yes, that is correct.

19 MRS. RENEE HOYOS: So I'm kind of
20 thinking that -- well, unless you're asking us to
21 make a choice, that all programs would look like

22 that. There would only be one checkmark. So I'm not
23 crazy.

24 MR. TOM LITTLEPAGE: Speak up, Mark.

25 MR. MARK IVERSON: I was just 80
1 confirming that I agree it's a little confusing as
2 to -- I would think for each major program you have
3 got one check saying this is what we're recommending,
4 and it seems like that's not what's -- how it's being
5 presented.

6 MRS. RENEE HOYOS: Unless they want us
7 to choose.

8 MR. MARK IVERSON: Unless they want us
9 to choose, right.

10 MRS. RENEE HOYOS: Yeah. And those
11 are the options to choose from?

12 MR. MARK IVERSON: Right.

13 DFO ANDA RAY: May I please ask a
14 staff member to come up and just walk through the
15 table very quickly?

16 FACILITATOR WILSON TAYLOR: Before we
17 do, let's make sure we have no more questions for Bo?

18 CHAIR MR. TOM LITTLEPAGE: Thank you,
19 Bo.

20 FACILITATOR WILSON TAYLOR: If you
21 could come to the mic so she can record. Thank you.

22 DFO ANDA RAY: Yeah. And just --
23 D. J., just kind of -- we're going to clarify this,

24 but maybe in talking through it they could give us
25 some input into how to clarify it, but explain what
1 priority level means, why -- what the checkmarks 81
2 mean.

3 MR. D. J. CONRAD: So, again, to
4 reiterate something that Randy had touched on
5 earlier, if you think of each program, each program
6 has three levels of implementation. So those are
7 activities -- varying levels of activities that may
8 be implemented at a varying level of effort, a 1,000
9 acres versus 5,000 acres 10,000 acres. So those are
10 sort of your -- think of it as just cans or options
11 on the shelf as you go through. Now, we have
12 identified those as custodial, enhanced, and
13 flagship.

14 What the priority levels are is they
15 really help us to then define a program mix that we
16 will actually implement. So it's not an option.
17 It's this is the bucket by which or the shopping cart
18 that we're actually going to implement.

19 Now, what's confusing here is that if
20 you look at -- take the TVA Natural Heritage
21 database. So you have the three program options and
22 you have the priority levels. Really what we're
23 going to do there is we're going to implement -- if
24 there's a check in custodial, we will implement it at
25 the custodial level, but also if there's a check in

1 blended, then that's sort of the -- those are the
2 enhanced things that we are tagged or that we have
3 tagged that we're walking through here that are
4 elevated levels of effort or enhanced levels of
5 effort. So we will implement it at the blended level
6 or at the whatever -- it may be enhanced or it may be
7 flagship.

8 CHAIR MR. TOM LITTLEPAGE: Okay. Is
9 there one of these programs where you could provide
10 some more specific detail of what that may entail or
11 is that -- I'm still -- you know, the shopping cart
12 analogy we have used and it still hasn't helped me
13 grasped what --

14 MR. D. J. CONRAD: Let's take TVA
15 National Heritage database.

16 MR. RUSSELL TOWNSEND: And where do
17 you find that again?

18 MR. D. J. CONRAD: It's on page 92 at
19 the very top.

20 MR. RUSSELL TOWNSEND: Got it.

21 FACILITATOR WILSON TAYLOR: Hold on a
22 minute. Kelly wants to add something here.

23 DFO ANDA RAY: I'm sorry.

24 FACILITATOR WILSON TAYLOR: Go ahead,
25 Kelly.

1 DFO ANDA RAY: I'm sorry. We have
2 definitely taken away the feedback that this has got

3 to be clear.

4 MS. KELLY LOVE: You need to read
5 Appendix A while also looking at the program options
6 in Chapter 4.

7 So, for example, let's look at page 53
8 while also looking at some of the coordinating --
9 while also looking at page 91, if you flip back and
10 forth. So, for example, look at our land condition
11 assessment program and you will see that those
12 program options, custodial, enhanced, and flagship
13 represent different acreages.

14 So we're going to look at 20,000 acres
15 per year under custodial, 35,000 in enhanced, and
16 50,000 in flagship. So when you flip back over to
17 page 91 it helps to understand that this program is
18 going to be going on under each of these priority
19 levels, but at the custodial priority level we're
20 doing the 20,000 under our blended priority level.
21 So those coordinate as compared with --

22 DFO ANDA RAY: So the checkmarks
23 represent different levels. So it says that we're
24 going to do land condition assessment in all of the
25 priority levels, but it's at a different level.

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1 MS. KELLY LOVE: That's correct. As
2 compared with, for example, the natural areas. If
3 you're looking on page 53, it's just dots all the way
4 across, and I think it helps to understand when you

5 see the checkmarks for the Natural Heritage Database
6 on page 92, those checkmarks are all the same but --
7 so it -- I mean, certainly we have some things to
8 clear up here, but I think it helps to read these two
9 tables together to understand what these checkmarks
10 mean in Appendix A.

11 FACILITATOR WILSON TAYLOR: Ron.

12 MR. RON FUGATT: Speaking of that, we
13 didn't cover them all when we went through them, but
14 looking on page 56 on non-native invasive plant
15 management, I was curious as to how we go from
16 1,000 acres under custodial to 20,000 acres to 40,000
17 acres, that seems like an enormous change, a jump.
18 Maybe I don't understand all of that.

19 MR. TOM LITTLEPAGE: Bo, do you want
20 to address that?

21 MR. RON FUGATT: Is that a typo and it
22 meant 10,000 acres?

23 MR. RANDY MCADAMS: Page 56, the
24 non-native invasive plant management.

25 MR. BO BAXTER: That is the actual
1 number. And right now we're kind of doing a minimus⁸⁵
2 of clearing for non-native to comply with the
3 Executive Order.

4 MR. RON FUGATT: So it's like trying
5 to eat an elephant though, it looks to me like.

6 MR. BO BAXTER: And part of that is

7 reflected in revamping the forestry practices. So if
8 we're actually getting out there and doing more
9 active forest management, we're sort of going to be
10 obligated to do invasive species control in those
11 areas. So invasive species management and forestry
12 management are sort of tied together.

13 So if we're not doing a lot forestry
14 management, we're probably only doing a minimal
15 amount, a custodial amount of invasive control. If
16 we step up in those programs it's going to sort of
17 obligate us to doing more invasive control to
18 actively manage those forests. So that is a real
19 jump in the numbers.

20 MR. RON FUGATT: It sure is.

21 MR. D. J. CONRAD: But it's tied to
22 the effort we're putting out there.

23 FACILITATOR WILSON TAYLOR: Thanks,
24 Bo. D. J., any more comments?

25 MR. D. J. CONRAD: No, sir.

1 FACILITATOR WILSON TAYLOR: Any other
2 questions about the checkmarks and what Kelly said?
3 Any other thoughts on that? Did that help or is it
4 still --

5 CHAIR MR. TOM LITTLEPAGE: It helps
6 where you look at -- where there's those differences
7 in those categories where you have got a -- for
8 example, under forest resource management you've got

9 three dots that don't distinguish, then it's still a
10 little confusing.

11 MR. RANDY MCADAMS: Fair point. I
12 think we hear loud and clear we need to be clearer in
13 the final NRP on the way these different options are
14 constructed or priorities are constructed.

15 FACILITATOR WILSON TAYLOR: Avis.

16 MRS. AVIS KENNEDY: Do I take it that
17 then the priority levels would at some point be
18 equated with the level of funding that would be
19 devoted --

20 MR. RANDY MCADAMS: That is correct.

21 MRS. AVIS KENNEDY: -- to this
22 program? So if you had a very low level of funding
23 available, we would be looking at the custodial
24 priority level for most programs for blended and a
25 fat and happy here would be advanced?

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1 MR. RANDY MCADAMS: That is correct.
2 That's exactly what that means.

3 FACILITATOR WILSON TAYLOR: Renee.

4 MRS. RENEE HOYOS: Is it possible to
5 have a custodial program option and a priority level
6 advanced, because I am thinking these things might be
7 redundant?

8 DFO ANDA RAY: Say that again.

9 MRS. RENEE HOYOS: Can you have a
10 program options, excuse me, that's custodial and a

11 priority level that's advanced?

12 Because if you look a lot of these
13 things they are custodial, custodial. The blended
14 enhanced box is checked or the flagship advanced.
15 The blended enhanced seems to go either way but --
16 because I am just wondering if maybe this second box
17 is sort of restating what you're saying in the
18 options. I don't know if that's making any sense.

19 MR. RANDY MCADAMS: It is possible to
20 have a custodial program option in the advanced
21 priority. For the most part, that was not the
22 assessment of the team because just advanced
23 represents kind of a more robust, you know,
24 execution.

25 MRS. RENEE HOYOS: Bingo. That's why
1 I'm wondering if maybe this thing is redundant
2 because it looks to me like you could only have a
3 custodial/custodial. I don't see any custodials here
4 that are blended or advanced. So it seems like
5 you're saying the same thing twice.

6 DFO ANDA RAY: And you actually
7 have -- you actually are helping us on how to clarify
8 it. If it's custodial, which means minimum, and the
9 custodial priority, which we thought we renamed,
10 those are the same. You can't have anything other
11 than custodial. So that's redundant.

12 MRS. RENEE HOYOS: Okay.

13 DFO ANDA RAY: At flagship/advanced,
14 and this term is actually redundant, but the part
15 that changes is the blended, which is sometimes I
16 pick this and sometimes I pick that. Obviously, you
17 can see that's going to be an option. Don't do
18 minimum of everything and don't do flagship of
19 everything. The answer has got to be do some of
20 everything.

21 MRS. RENEE HOYOS: Right.

22 DFO ANDA RAY: And what is that blend?
23 So I think that's -- I think she's hitting the nail
24 on the head. We're kind of focused on the blended
25 and you should probably be focused on should the
1 blended be a custodial, an enhanced or an advanced 89
2 check?

3 MR. RANDY MCADAMS: That's right.
4 Because everything we're talking about today is the
5 blended priorities.

6 DFO ANDA RAY: It's not redundant
7 blended, but it is in the other two. Good
8 observations.

9 FACILITATOR WILSON TAYLOR: Thank you.
10 Anything else?

11 MR. RANDY MCADAMS: Well, let's press
12 on to the next resource area. It is cultural
13 resources. To lead us through that is Pat Ezzell.
14 Pat is the program manager of tribal liaison

15 corporate history.

16 MS. PAT EZZELL: Thank you. Good
17 morning. I am Pat Ezzell. I'm the tribal liaison
18 and corporate historian for TVA, and today I have the
19 pleasure and the privilege of discussing TVA's
20 cultural resource management programs presented in
21 the Natural Resources Plan.

22 We will go to our first slide. Our
23 objectives with cultural resources management is to
24 actively identify, monitor, and protect the
25 historically significant non-renewable resources
1 found in the Valley region, and that's important. 90

2 Let me say that one more time because
3 I feel it's that important. Our objective with
4 cultural resources management is to actively
5 identify, monitor, and protect the historically
6 significant non-renewable resources found in the
7 Valley region.

8 Now, we have identified critical
9 success factors to help us manage our NRP
10 implementation efforts. These factors incorporate
11 various internal and external stakeholder
12 perspectives, including those from the RRSC.

13 So we have listened to you, we have
14 taken your advice, and these critical success factors
15 include that cultural resources are, again,
16 non-renewable resources. You know, these are

17 precious resources. So when they are gone, they are
18 gone forever. We're not growing trees. You know,
19 these are -- these are irreplaceable, sensitive
20 resources. So it is up to TVA to protect the
21 sensitive resources under our management.

22 Now, certainly we want to maintain and
23 improve relationships with those stakeholders that
24 attach cultural values to TVA managed land. We want
25 to proactively identify what is on our land and then
1 manage those properties. I mean, we have to know ⁹¹
2 what we have, we have to know the significance, and
3 then we have to know the best ways to manage those
4 properties.

5 And finally, you have heard this from
6 everybody that's been up here, we have to educate and
7 engage the public about the importance of cultural
8 resources.

9 Now, currently TVA spends
10 approximately \$750,000 to \$1.25 million annually on
11 cultural resource programs. Now, some of you may be
12 familiar with some of the things that we do. We do
13 Section 106 review and compliance. That's part of
14 the National Historic Preservation Act. That's a
15 required compliance activity.

16 We do tribal consultation. Currently
17 in the Valley region TVA consults with 18 federally
18 recognized tribes. We have other tribes as we move

19 in the other projects and to other parts of the
20 country. We're adding to our tribal consultation,
21 but certainly here in the Valley we work with 18
22 federally recognized tribes.

23 We do consultation and compliance with
24 the Native American Graves and Repatriation Act, and
25 all of these things that we do are important, but
1 moving forward we will continue the current level of ⁹²
2 effort with those programs.

3 In addition, from previous
4 recommendations from the RRSC, you suggested that TVA
5 focus its cultural resource management efforts on the
6 identification and protection of non-renewable
7 resources on TVA managed lands, that's per -- that's
8 another regulation of the National Historic
9 Preservation Act, to identify those properties on our
10 lands and then even to nominate some of those to the
11 National Register of Historic Places, that's
12 something that you have told us we need to focus on.

13 We want to monitor and protect those
14 significant resources for future generations. Again,
15 you know, we're looking toward the future. If they
16 are gone today, they are not here for the education
17 and enjoyment of our children.

18 Again, increase educational awareness
19 and outreach, that's something we want to do. And
20 develop partnerships, that's another piece that you

21 have told us that we need to focus on regarding
22 cultural resources management.

23 So over the next 20 years TVA proposes
24 to elevate certain program efforts resulting in an
25 estimated increase in the amount of spending between
1 2 and \$3 million. 93

2 So what are we going to focus on over
3 the next 20 years? What are we going to elevate?
4 Which programs?

5 And I want to highlight these
6 strategic level programs, but again, to clarify, we
7 will continue to implement certain programs such as
8 the -- you know, work regarding the Archeological
9 Resources Protection Act, tribal consultation,
10 NAGPRA, Section 106, Preserve American, this will be
11 done at the custodial level. We're going to continue
12 to do those things, but we're going to heighten up
13 our effort on some of the programs I am going to talk
14 about now.

15 The first one that I want to talk
16 about is the Archeological Monitoring Protection
17 Program. Again, you're going to get sick of me
18 saying this, but again, the goal is to protect
19 non-renewable resources. Now, that is our goal.

20 We want the identify these sites so
21 that we know where they are out on our property, and
22 oftentimes we protect them by stabilizing the

23 endangered sites. Key activities include actively
24 protecting more lands and actively monitoring more
25 archeological sites on an annual basis.

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1 And if you want to follow along in the
2 NRP, you can look on the pages 95, 96, that
3 coordinates with the cultural resources activities.

4 We hope to limit our impacts to these
5 sites, not just our impacts, but adverse impacts by
6 looters. You know, we want to monitor these sites
7 and preserve them, again, for future generations.
8 And certainly by focusing the monitoring and
9 protection efforts will result in improved water
10 quality through shoreline stabilization.

11 Shoreline stabilization is a way that
12 sometimes we can protect the archeological sites.
13 Certainly we hope to protect them from looters and
14 also any kind of other adverse impacts that may occur
15 to them. So we're going to step up our efforts in
16 the archeological and monitoring and protection.

17 Also, in our preservation program,
18 this is something that we have heard from you too,
19 again, in order to properly preserve these resources
20 we have to know where they are. So, you know,
21 currently I believe the figure is we know we have
22 11 -- approximately 11,500 archeological sites on TVA
23 land. And as far as historic structures go, we have
24 approximately 5,230 historic structures that are

25 either on or near TVA managed lands.

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1 We want to enhance the records that we
2 have and maintain a current database of information
3 on all historic properties. Again, when I say
4 historic properties I am talking about archeological
5 sites. I am talking about historic structures, such
6 as Norris Dam. Some of you I had the opportunity to
7 go to Norris Dam with.

8 Also, historic sites throughout the
9 Valley. There are certain places that are considered
10 historic sites. You know, battlefields would be an
11 example. Those are places that if they are on TVA
12 property, we want to protect those places, too.

13 Certainly, an additional benefit of
14 this is if we know what is on our land, we can do a
15 better job of planning that land and what we're going
16 to do in the future.

17 MR. TOM LITTLEPAGE: Can I ask a quick
18 question on the monitoring?

19 MS. PAT EZZELL: Sure.

20 MR. TOM LITTLEPAGE: You have defined
21 these various options in terms of miles of shoreline,
22 does that equate to a frequency? In other words, at
23 the lowest level 150 shoreline miles per year? Does
24 that mean that in general a site will be looked at
25 once every five years, ten years? Is there a

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1 correlation there?

2 MS. PAT EZZELL: Well, I think the way
3 that we -- the way the archeological monitoring takes
4 place, I mean, we do try to do a certain amount each
5 year. We also have a prior -- we prioritize sites
6 that we feel are extremely significant, and we are
7 aware that perhaps there -- because of where they are
8 they may be prone to looting or just other impacts.
9 So, you know, we do try to -- we try to prioritize
10 and then we try to get out there and monitor.

11 I don't know that they -- I don't know
12 that we're at that point yet or we're at that level
13 that we can say that we do that exactly, but I think
14 that's where we want to be with the NRP and that's
15 what we're hoping to do with this enhanced program.

16 CHAIR MR. TOM LITTLEPAGE: And the
17 other thing that was brought up in the public meeting
18 in Alabama is cultural resources that are on power
19 property, in other words, outside the scope of this,
20 you're still managing those?

21 MS. PAT EZZELL: We manage property on
22 all TVA land. It's considered federal land and it
23 comes under -- you know, as far as the regulatory
24 guidelines, the National Historic Preservation Act,
25 The Archeological Resources Protection Act, NAGPRA,
1 all of those, yes, I mean, they are all under that --
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2 CHAIR MR. TOM LITTLEPAGE: So this
3 site monitoring would be a broader aspect and you're

4 looking at all of those sites within TVA managed
5 properties?

6 MS. PAT EZZELL: Yes.

7 CHAIR MR. TOM LITTLEPAGE: Not
8 just the 290 -- you know, we're making that
9 separation.

10 DFO ANDA RAY: Yeah. I'm really glad
11 you -- that came up at the public meeting, and you
12 were there. Thank you for making that -- this covers
13 the 293,000 acres with respect primarily to the 183,
14 but because the program extends -- this program
15 extends to all of TVA we don't have a separate one on
16 power properties. What you do here will count those
17 other properties we manage.

18 CHAIR MR. TOM LITTLEPAGE: This is a
19 little unusual.

20 DFO ANDA RAY: This one is, yeah.

21 MS. PAT EZZELL: That is true, and
22 that's a good point. Because TVA does have more land
23 than the 293,000, we are responsible for all of the
24 resources on TVA land, cultural resources.

25 DFO ANDA RAY: We will clarify that,
1 that this is a programmatic decision that extends
2 beyond the 183.

3 FACILITATOR WILSON TAYLOR: Do you
4 want to go to the last slide or do you want to get
5 questions?

6 MR. TOM LITTLEPAGE: Well, we had a
7 question from Ron and then Jean.

8 MS. PAT EZZELL: I will be glad to
9 answer questions.

10 FACILITATOR WILSON TAYLOR: She has
11 one more slide left. So go ahead.

12 MR. RON FUGATT: I have got two
13 questions.

14 FACILITATOR WILSON TAYLOR: All right.

15 MR. RON FUGATT: One is along -- it's
16 along this line. It appears to me that it would be
17 good to have a breakdown between what part of these
18 archeological sites are on the river, because the
19 river is one thing but the power line transmission
20 line right-of-ways, all of that is necessary to
21 deliver power and I think it would be a good -- it
22 might be good to have a breakdown as to how many of
23 those 11,500 sites are on the river and how many of
24 them are in other properties.

25 DFO ANDA RAY: We can -- we can do
1 that. Although, by the way, we are -- that's a very ⁹⁹
2 sensitive database because -- but I'm not sure what
3 you're getting to, Ron, because we manage them the
4 same way.

5 MR. RON FUGATT: What I'm getting to
6 is justification for putting these monies in the
7 customers' rates.

8 DFO ANDA RAY: So you mean like --

9 MR. RON FUGATT: Well, there's a cost
10 of ownership of a right-of-way, and we're saying some
11 of this is the cost of ownership of that
12 right-of-way.

13 DFO ANDA RAY: Right. So you're
14 trying to get down the number and say, that one is a
15 no-brainer, you know, it's a cost of a right-of-way,
16 you need to manage it this way, and here's the data
17 of what's not in -- related directly to power
18 delivery?

19 MR. RON FUGATT: That's correct.
20 That's where I am heading.

21 DFO ANDA RAY: I see. Numbers we
22 could do, right?

23 MS. PAT EZZELL: Sure, I think we can
24 get that information.

25 MR. RON FUGATT: My other question is 100
1 on page 59 of this -- in Chapter 4. We have got
2 inspections and we by reported incident and then
3 we in -- for custodial and enhanced jump to 2,500 and
4 flagship is 5,000, how many reported incidents do you
5 have? I mean, are you going from 100 to 2,500
6 inspections or are you going from -- I don't know
7 whether we're going up or down.

8 MS. PAT EZZELL: We're going up.
9 Right now we do it when we're contacted.

10 MR. RON FUGATT: Do you have some
11 record of about how many that is?

12 MS. PAT EZZELL: Well, the thing is it
13 can vary year-to-year depending on how many folks are
14 caught with ARPA violations.

15 MR. RON FUGATT: This just says annual
16 check, I just wondered if you're 2,000 now and you're
17 going to make sure you do 2,500 or just some relative
18 what are we doing.

19 MS. PAT EZZELL: I think the number
20 that we're doing now is much lower than 2,500.

21 MR. RON FUGATT: Okay.

22 MS. PAT EZZELL: I know that we do
23 have two ARPA -- undercover ARPA investigators and
24 they do as many site investigations as they can.
25 They monitor. Of course, they have over 11,000 miles
1 of shoreline that they are responsible for, and we 101
2 have those two undercover investigators. So they are
3 all there but -- and I can get you the numbers that
4 they have done for this year.

5 MR. RON FUGATT: The only reason for
6 clarification for the people that are going to see
7 this, it says that I am going from some number up to
8 this number up to this number.

9 MS. PAT EZZELL: Sure. And I
10 appreciate that, and we can clarify that.

11 MR. RON FUGATT: Okay.

12 MS. PAT EZZELL: At least put an
13 approximation in there of how many investigations or
14 how many, I guess, sites that are monitored we can
15 put in there. The investigations -- the true ARPA
16 investigations depend on those individuals that are
17 apprehended and how those go through the system in
18 any given year.

19 But the monitoring of the sites, I
20 believe, or what they are calling inspections, they
21 are to actually go out and inspect and make sure that
22 these sites haven't been looted, we can get a number
23 on what we are currently doing and what the baseline
24 is.

25 FACILITATOR WILSON TAYLOR: Do you 102
1 have anything clarifying on that?

2 DFO ANDA RAY: Can I take a general
3 comment? What I hear Ron challenging us is that on
4 all of these, not just yours or Bo's, is what's the
5 logic that you went from custodial to whatever that
6 is to the next step? You know, why was it 10 and not
7 100? Why was it 10 and not 2? So you're challenging
8 us to make sure that we're much more clear about why
9 I went from here to here.

10 MR. RON FUGATT: A 1,000 to 20,000,
11 that's a big jump.

12 DFO ANDA RAY: Right. That's great.
13 Good comment.

14 FACILITATOR WILSON TAYLOR: Jean.

15 MRS. JEAN ELMORE: This is more of a
16 general question, and I may have missed something,
17 but I have noticed that in each of the categories
18 that we have gone through there is a significant
19 increase in the monetary.

20 What is our source for that monetary
21 enhancement?

22 DFO ANDA RAY: Well, I think I am
23 going --

24 MRS. JEAN ELMORE: Maybe that's a bad
25 question.

1 DFO ANDA RAY: I think that goes -- 103
2 that ties exactly back to Ron because I think there
3 is a -- we can show you how we came up with the
4 number, but it's why did you go from a 1,000 to a
5 10,000? You expect the dollars to be relative. So
6 if it was \$1,000 before, it should be \$10,000 now.
7 So you can see that that jump directly correlates to
8 that huge jump in dollars, and I think that directly
9 goes back to why did you pick -- why did you pick
10 that next level of jump?

11 MRS. JEAN ELMORE: Where are we going
12 to get it? Is that rate increase?

13 DFO ANDA RAY: That's the only place
14 it is.

15 MRS. JEAN ELMORE: That's the only

16 place, that answers my question.

17 DFO ANDA RAY: Well, some of them
18 would be partnerships, but the point is that they are
19 asking some money right here.

20 FACILITATOR WILSON TAYLOR: Renee.

21 MRS. RENEE HOYOS: I'm wondering if
22 it's possible to analyze some of these programs. You
23 can show the public where they are now. Are they in
24 a custodial phase now and you want to jump it up to
25 enhanced or enhanced or flagship?

1 Then there was an interesting point 104
2 you brought up about the money, what does a blended
3 priority level mean in dollars as opposed to a
4 flagship level? I think that would help with the
5 discussion a little bit more.

6 DFO ANDA RAY: Well, I --

7 MRS. RENEE HOYOS: And people may be
8 willing to say, okay, well, we can't afford the
9 flagship. We would like to have it, but we can't
10 afford it.

11 MRS. JEAN ELMORE: That's the bottom
12 line.

13 DFO ANDA RAY: So if I can just
14 clarify that. Yeah. I think -- and I am trying to
15 find the page number. It is a huge step increase,
16 and I think that's what --

17 MR. PAUL SLOAN: On page 11 you have

18 got at least some -- you have got the custodial at 72
19 million and blended at 24 million.

20 DFO ANDA RAY: Right. See, it's a
21 huge jump.

22 MR. PAUL SLOAN: And advanced is 45 to
23 55.

24 DFO ANDA RAY: Right. It's a huge
25 jump that doesn't overlap that directly relates to
1 what's the blended numbers that Ron's referring to. 105
2 So I can see we need to do a tighter -- I'm done.

3 MR. RON FUGATT: It's one point that
4 we need to clarify. These other people are in front
5 of me.

6 FACILITATOR WILSON TAYLOR: Okay.
7 Paul.

8 MR. PAUL SLOAN: Yes. One, I
9 apologize. I will get out of the weeds quickly, but
10 I have got to go back to the matrix for one quick
11 question because cultural illustrates it.

12 On page 95, if I read the chart for
13 Native American Consultation and I choose the planned
14 implementation level of an advanced -- a priority
15 level of advanced and I do Native American
16 consultants, it looks like I am choosing two
17 programmatic implementation plans. I'm choosing
18 enhanced and flagship under that prioritization, and
19 that occurs several times throughout the matrix.

20 Does that -- Anda, do you see that on
21 page 95?

22 DFO ANDA RAY: Yeah. I'm trying to
23 match that up with page -- the page 59 to see what
24 the differences is, 59 or 60.

25 CHAIR MR. TOM LITTLEPAGE: That's 106
1 where I make the point, you have got the dots.

2 DFO ANDA RAY: Right. So what's that
3 saying is it's the -- there's only one option that's
4 being offered.

5 MR. RANDY MCADAMS: That's right. I
6 mean, I think --

7 DFO ANDA RAY: See, that's confusion.

8 MR. RANDY MCADAMS: That's right.

9 MR. PAUL SLOAN: And that reoccurs
10 throughout in different places.

11 DFO ANDA RAY: Yeah.

12 MR. PAUL SLOAN: But getting out of
13 the weeds, it seems to me going back in some of the
14 points that Mitch has -- it's been made several times
15 from different perspective, but it's awful hard for
16 this Council to get into the programmatic preferences
17 of how you ramp up from one of these implementations
18 to the next, and to make those judgments is certainly
19 outside of our particular areas of expertise.

20 Mitch can do it with respect to
21 some -- I mean, some of us can do it with respect to

22 some things, but I'm not certain that that's our
23 role, that it's not our primary role to say, do we --
24 do we want a level custodial in all of our natural
25 resource planning and stewardship at TVA; that is, do
1 we want to just pay the salaries of people who are 107
2 doing the work but give nothing beyond that to
3 implement -- to implement stewardship here or do
4 we -- is a \$40 million investment something that we,
5 as a Council, feel that TVA should dedicate to
6 natural resource planning and are the cost benefits
7 there for the ratepayers to do that, which goes back
8 to the earlier conversation of what is the economic
9 benefits of what the -- our natural resources
10 generate, and I think it's very substantial when we
11 look at it.

12 We did an evaluation -- UT did an
13 evaluation for us on the parks, for example, which is
14 very analogous, and the benefits to the economy of
15 Tennessee is enormous. And we have -- actually, you
16 have more land than we have in all of our park
17 systems, which is remarkable.

18 So, I mean, to me the orientation of
19 the Council may be -- may need to be at a broader
20 level to be able to say we think the cost benefit
21 is -- suggests this level. We think also the
22 question of -- the stewardship question, there is
23 what I would call maybe an ethical or there's a

24 responsibility attendant with stewardship of this
25 amount of acreage and so forth.

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1 So is that making any sense?

2 DFO ANDA RAY: Uh-huh.

3 MR. PAUL SLOAN: It's awful hard for
4 me to say -- to judge whether or not it -- the
5 implementation should be custodial or flagship on --
6 on every one of these programs. I think it's awfully
7 hard for the Council to do that, and we don't have
8 the information and we trust the programmatic people
9 to do it, but we can say we think that your
10 investment should be in relative terms of the -- you
11 know, your 10 billion or, you know, you're an X
12 billion dollar organization, we think a 10 percent
13 investment in resources or, you know, what is a \$40
14 million investment in resources per year under this
15 program? What does that mean overall to the
16 organization? I think that's something we should
17 speak to.

18 DFO ANDA RAY: You know, I think you
19 hit the nail on the head. Unfortunately, we don't
20 quite know how to give you that perspective without
21 saying, okay, here's what this program looks like and
22 now we're talking about doubling it or we're talking
23 about keeping this on level -- you've hit the --
24 that's exactly the kind of advice you should be
25 providing.

1 Why did you go from this level to this
2 level? Why 7 to \$10 million? Why did you jump from
3 20 to 40 or 15 to 20 million? That's the advice we
4 need. So if we're not doing this right, I appreciate
5 that, we will try to fix that. But you're right,
6 Paul, you need to be at 50,000.

7 FACILITATOR WILSON TAYLOR: Avis.

8 MRS. AVIS KENNEDY: I have three
9 things I wanted to mention. One is I think it might
10 be helpful -- it might be in here somewhere and I
11 missed it, but a summary of the dollars so that some
12 of this information that's on page 11 was translated
13 into a graphic or a table-type forum to show
14 custodial being 7 to 10 million, blended being 20 to
15 24 million, and advanced being 45 to 55 million.
16 That could even go into more detail and show what the
17 change in funding would be for each individual
18 program area here, I thought that might be helpful.

19 Going to what Paul was saying, pretty
20 much everything is expressed in terms of effort.
21 Here's what we would get for more money is we would
22 do more surveys and we would do more boundary line
23 marking and so forth. It's hard to think about
24 stewardship programs in terms of measures but if --
25 where you can apply or express some kind of measure,
1 it makes it easier to talk to people outside about
2 the benefit of it.

3 So, in other words, one of the things
4 I think they talked about was lands condition. I
5 think we talked about that yesterday in our briefing,
6 lands condition and, you know, 60 percent is
7 considered -- is categorized as poor condition.

8 Well, if by spending X million more on
9 boundary line marking and other kinds of, you know,
10 removing invasives and so forth you could increase
11 the percentage that was categorized as good and
12 decrease the amount it -- so, in other words, we
13 would increase the amount of land that is categorized
14 as good by 10 percent or 20 percent or whatever, I
15 think that would be a good thing to work toward.

16 It's hard to get there as far as
17 measures but not just effort, but what are you
18 actually getting for the money? What's the ultimate
19 result you're going after? You're not going after
20 removing more plants, you're going after healthier
21 and more sustainable land is your goal.

22 I don't know enough about TVA to
23 understand about where funding comes from. Could
24 the -- the proposed increases for the recommended
25 program mix, does any of that ever come from other
1 TVA program areas or reductions in other TVA
2 operations somewhere or it always comes from rate
3 increases or is it a blend?

4 FACILITATOR WILSON TAYLOR: We will

5 let Bruce answer that question, but before I do that
6 I want the record to show that Bruce is sitting in as
7 the Designated Federal Officer while Anda is out of
8 the room for a while.

9 So, Bruce, can you address that
10 question about where does the money come from?

11 MR. BRUCE SCHOFIELD: The money
12 inevitably comes from -- the majority of it is rates.
13 Now -- and it's an annual budgeting process to go do
14 that. There's line items for what we do in natural
15 resource preservation or natural resource enhancement
16 to go do that, and it's a factor and a line item
17 budget piece to go do that.

18 Some of that money will come in from
19 partnerships that we do to go do that, but the monies
20 that we're talking about in the plan that we do that
21 rate are actually monies that TVA estimates that they
22 would put into the programs and it comes from
23 ratepayer dollars because we don't get appropriated
24 funding.

25 FACILITATOR WILSON TAYLOR: Renee.

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1 MRS. RENEE HOYOS: Yeah. So I have
2 another question about what our charge is then. So
3 are we supposed to decide whether we advise that we
4 do advanced, blended or custodial overall or are we
5 saying, no, for partnership programs, strategic
6 planning we want the blended solution, but for

7 Tennessee Valley Clean Marina Program we want the
8 flagship advanced option? Are we doing it for each
9 individual program or are we saying just umbrella
10 advanced for everything?

11 MR. RANDY MCADAMS: I would suggest
12 the first of those, each individual program. I mean,
13 we're walking -- the resource specialist are walking
14 through each resource area with some granularity.
15 And again, part of what we want to do today is get
16 the counsel of this Council, you know, on, well, we
17 think you ought to ratchet this up or we think this
18 is a high priority, et cetera.

19 So that's why we're saying, you know,
20 a broad brush this should be, you know, enhanced in
21 every case, but that's -- that's a suggestion.
22 That's the point of this meeting is to get input kind
23 of resource area by resource area from this body.

24 MR. BRUCE SCHOFIELD: And if I could
25 add to that.

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1 MR. RANDY MCADAMS: Please.

2 MR. BRUCE SCHOFIELD: When we're on
3 page 11, that's where we state that our preferred
4 alternative that we are recommending in the natural
5 resource plan is the blended option, which is
6 custodial plus those programs that we feel -- that
7 are in the table in the back, 95, 96, 97, that those
8 programs are at a blended option or a -- or they are

9 a higher priority that is blended.

10 Then as dollars become available, the
11 Council may recommend that we think you ought to do
12 advanced in this area. And as dollars would be
13 become available, then we use that advice to decide
14 where those extra dollars come from.

15 You know, when we're in a lean year,
16 you know, we have to do custodial. I mean, that's
17 the basic bare minimum. We move into blended when we
18 get, you know, a good year, economics turn around and
19 there may be some more monies available to go do that
20 and through partnerships we will end up supporting
21 those partnerships to move things into the advanced
22 category.

23 We're just kind of looking at what the
24 Council says are we in the right area, should we --
25 where do you think we need to place our emphasis
1 above custodial. 114

2 Right, Randy, it's where it is above
3 custodial?

4 MR. RANDY MCADAMS: That's correct.

5 FACILITATOR WILSON TAYLOR: So quickly
6 just from -- we've got some more questions. What I
7 want to do is, Pat, any final comments on the
8 cultural because we have tracked away from that to
9 some extent.

10 MS. PAT EZZELL: I did want to get

11 back because I have got -- I have two other program
12 areas that I want to talk about.

13 FACILITATOR WILSON TAYLOR: Then we
14 will come back to the questions.

15 MS. PAT EZZELL: And these are near
16 and dear to my heart.

17 FACILITATOR WILSON TAYLOR: Okay.

18 MS. PAT EZZELL: As the TVA corporate
19 historian I really want to talk bout the Corporate
20 History Program. So if you will just indulge me
21 quickly because I could talk about TVA's history all
22 day.

23 But, you know, TVA has an incredibly
24 rich history here in the Tennessee Valley. It helped
25 change this region. And I have put two photos on the
1 slides. In the first one you can see a man and a 115
2 woman getting their first electric appliances.

3 Can you imagine how that changed their
4 lives?

5 I mean, we get up today and just flick
6 on a switch. People have forgotten that, you know,
7 in some of our lifetimes here that -- I mean, my
8 mother did not have, you know, electricity when she
9 was a child. I mean, you know, it's that close to
10 us, and, you know, TVA was a large part of that
11 change in this region.

12 I mean, they -- TVA was created to

13 provide navigation, flood control, and cheap
14 electricity, and it did that through integrated
15 resource management. As it was doing that, it also
16 raised the quality of life, and that's what I see in
17 that second photo.

18 Now, TVA has over 17,000 historic
19 photos, and I can probably tell you about every one
20 of them, but one of my favorite ones is this little
21 boy. To me that just demonstrates how TVA changed
22 this region and what the quality of life is in the
23 Tennessee Valley today.

24 If you look at that picture you see
25 that this little boy is happy. He spent the day out
1 on a TVA reservoir, you know. It was stocked with ¹¹⁶
2 fish. He caught fish. He probably spent the day
3 with his dad who had a job because TVA provided cheap
4 electricity into the Valley region and, you know, his
5 dad has an opportunity to recreate with him, has that
6 time where he's not spending it doing some other work
7 but to spend time to recreate with his child.

8 To me that photograph shows what --
9 the quality of life and how it changed in the
10 Tennessee Valley, and that's something that we need
11 to promote. We need to promote TVA's story and
12 that's what the corporate history program would do
13 and enhancement to that would help us get out there
14 and, you know, explain to folks that -- there's a lot

15 of folks who aren't from this region and really
16 aren't familiar with TVA, and it's up to us to
17 highlight our history.

18 We can educate the public through our
19 corporate history efforts. Again, this goes along
20 with what everybody else has said this morning,
21 education and awareness objective. So that's
22 certainly -- we have got a lot of work to do in that
23 area. I am always amazed how much people really
24 don't know about TVA and they have lived here for
25 many, many years.

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1 And then the last program I want to
2 mention, and Tiffany mentioned this briefly, is the
3 archeological outreach, The Thousand Eyes Program.
4 This engages the public to help us be protectors of
5 those non-renewable resources on TVA land. It gives
6 them a role in that protection.

7 Again, it goes along with the public
8 education. It's vital to educate the public on the
9 importance of historic properties and to preserve
10 these sites for the education and future enjoyment of
11 our children and their children.

12 So, again, much like the corporate
13 history program, this focuses not so much on history
14 but on the protection of the sites on the ground. It
15 encourages people to be out there and to let us know
16 if they see looters or if there's something going on

17 on our property that we need to know in relation to
18 an archeological site.

19 And finally to conclude my portion, as
20 part of implementing the cultural resources
21 management programs, TVA wants to partner with
22 agencies, tribal governments, local governments, any
23 other resource group to actively identify, protect,
24 and monitor the historically significant
25 non-renewable resources located in the Tennessee
1 Valley. You know, these are precious resources and 118
2 we really -- we want to preserve them, again, for
3 future generations.

4 Now, if you have any questions related
5 to cultural resources, I will be glad to answer those
6 or try to answer them.

7 FACILITATOR WILSON TAYLOR: Cultural
8 resource questions?

9 Russell.

10 MR. RUSSELL TOWNSEND: Thank you.
11 Pat, I have got two questions. First, an easy one.

12 MS. PAT EZZELL: Thank you.

13 MR. RUSSELL TOWNSEND: On the
14 archeological outreach, can you tell me how -- what
15 you just indicated with The Thousand Eyes Programs,
16 for instance, relates in the NRP to what Tiffany
17 spoke about earlier, the level of responsibility, the
18 cultural resources program would have for public

19 outreach, the level Tiffany's public outreach program
20 would have, how do those interplay with one another?

21 MS. PAT EZZELL: And you thought that
22 was an easy question for me.

23 MR. RUSSELL TOWNSEND: I hoped it was.

24 MS. PAT EZZELL: It's my understanding
25 that TVA -- I mean, those programs would work
1 together, you know, but the cultural resources 119
2 program would have, I guess, the ownership of The
3 Thousand Eyes Program.

4 So it would be us to -- it would be up
5 to those folks, the cultural resource specialists, to
6 determine and to develop that educational outreach,
7 and then I guess that would be plugged into -- the
8 broader picture is if, you know, someone contacts,
9 say, Tiffany and they want information and they want
10 someone to come out and talk about archeology or
11 protection of cultural resources, that's where the
12 two programs work together. You know, cultural
13 resources would have responsibility for the
14 development and, I guess, the implementation more
15 with the program, but we would be coordinating with
16 each other.

17 MR. RUSSELL TOWNSEND: But you would
18 receive some help for implementation from the public
19 outreach program, the general public outreach
20 program?

21 MS. PAT EZZELL: Yes.

22 MR. RUSSELL TOWNSEND: Okay. That
23 helps me think about that.

24 The other question, I think, is more
25 difficult, but I think it's an important one for this
1 Council to understand with respect to cultural 120
2 resources.

3 Can you explain to us -- we know that
4 the National Historic Preservation Act requires TVA
5 to protect these historic resources. Can you kind of
6 explain to us how those acts, the National Historic
7 Preservation Act, ARPA, NAGPRA, how those acts define
8 what TVA's custodial role is and the custodial level
9 of effort?

10 MS. PAT EZZELL: Okay. I will
11 certainly take a stab at that, and we will start with
12 the National Historic Preservation Act. All of these
13 acts are regulatory acts and TVA has to follow them.

14 With the National Historic
15 Preservation Act, what TVA sees as its role in
16 compliance is following Section 106 which says that
17 TVA -- before a federal undertaking is done TVA has
18 to go through a certain process, the Section 106
19 process, to review and to kind of gauge the impact on
20 historic properties and to allow folks an opportunity
21 to comment on them, and that's pretty much where TVA
22 has focused its NHPA efforts.

23 Now, that doesn't mean to say that we
24 haven't done other parts of NHPA, we have. We go
25 out -- you know, one of the things that the National
1 Register of Historic Places asks or what it requires¹²¹
2 folks to do is to identify historic properties and to
3 nominate those to the National Register.

4 We haven't done that as much as we
5 can, and part of the reason for that is because if
6 properties are considered eligible or potentially
7 eligible for listing in the National Register they
8 get the same -- I mean, we have to treat those
9 properties the same as if they were on -- if they
10 were already on the National Register.

11 So because of that, that's one of the
12 reasons why we haven't proactively gone out and
13 nominated a lot of properties to the National
14 Register because they are still protected under that
15 eligible or potentially eligible. So our focus has
16 been on the Section 106 part of the National Historic
17 Preservation Act.

18 MR. RUSSELL TOWNSEND: I think what I
19 am hoping the Council understands is the National
20 Historic Preservation Act, for instance, Section 110,
21 doesn't tell TVA how many acres they have to survey
22 for a custodial level. The National Historic
23 Preservation Act doesn't tell TVA how many sites they
24 have to nominate to the National Register for a year.

25 That is -- that is a decision that TVA is making 122
1 internally.

2 So TVA is deciding what the custodial
3 level is at that level. It's not -- it's mandated
4 TVA do it, but the level of commitment TVA gives to
5 it is something that is internally set, and I hope
6 that this Council would act as a guidance for TVA
7 with respect to that level of custodial level effort
8 because it is not defined by law and I think that's
9 someplace that we can help TVA.

10 MS. PAT EZZELL: And I understand what
11 you're saying, and we would welcome that guidance,
12 you know, on what you see because right now, I guess,
13 the custodial level is kind of the, I think, the
14 minimus was used, the minimal compliance effort that
15 TVA is going to put forth, but what can we do -- you
16 know, and that's what -- that's what we want to get
17 from you.

18 What should we be doing? How should
19 we enhance, you know, what TVA does in regards to
20 those requirements of the National Historic
21 Preservation Act or, you know, NAGPRA or ARPA, all of
22 those? And really, we are looking for your guidance
23 on that.

24 MR. RUSSELL TOWNSEND: And I'd just
25 closed my statements by saying, you know, you and I 123
1 are always harping on the non-renewable aspect of

2 this and it's like I think all of us can relate to a
3 time when we lost a grandparent or a parent and we
4 said that time or that window of opportunity where we
5 could have learned from them about our past about our
6 history is gone forever, and maybe when we were 25 we
7 didn't care, but most of us reach a point in our
8 lives where we do care about those things.

9 So I think TVA has done a good job in
10 the past, and I think we need to continue to guide
11 them to do a good job thinking about the people of
12 the states in which TVA operates, thinking about
13 protecting their heritage for them because they may
14 want it someday. You know, today when the economy is
15 bad it may not be important to them, but if it gets
16 washed down the river you can't ever get it back. So
17 that's what I am thinking.

18 FACILITATOR WILSON TAYLOR: Okay. Any
19 more cultural resources management questions?

20 MR. TOM LITTLEPAGE: I think Mark has
21 something.

22 FACILITATOR WILSON TAYLOR: Mark.

23 MR. MARK IVERSON: It's not a cultural
24 resources, it's a broader question.

25 FACILITATOR WILSON TAYLOR: I want to
1 get Pat --

2 MR. PAUL SLOAN: It's not cultural.

3 FACILITATOR WILSON TAYLOR: Renee.

4 MRS. RENEE HOYOS: It's not cultural.

5 FACILITATOR WILSON TAYLOR: Okay.

6 MS. PAT EZZELL: Are you sure because
7 I can talk about TVA history.

8 FACILITATOR WILSON TAYLOR: So, Pat,
9 you are done, I think. Thank you.

10 Mark, you're up next.

11 MR. MARK IVERSON: Thank you. I think
12 the lightbulb is coming on for me trying to
13 understand what's being the program -- recommended
14 program piece because I am having a hard time
15 understanding the charts and the options being
16 presented, but this may be more of a confirmation
17 question in terms of what I'm seeing.

18 Page 14, I think, is a summary page of
19 the different programs. If I am reading this right,
20 and again, I hope I am, under biological and cultural
21 resources, which are the first two things presented,
22 is it fair to say that for the biological that on
23 page 52 and 58 we have a listing of all the programs
24 and their ranking as to whether they are enhanced
25 or -- what am I trying -- custodial, enhanced or
1 flagship. 125

2 MR. RANDY MCADAMS: That's right.

3 MR. MARK IVERSON: You have got 21
4 programs listed. The bulleted items on page 14 are
5 nine of those programs that are being recommended at

6 the blended level.

7 MR. RANDY MCADAMS: That's correct .

8 MR. MARK IVERSON: Am I saying that
9 correctly?

10 So that's actually what's being
11 recommended. So when we see this little yellow band
12 at the beginning of each of these segments saying the
13 cost is going to move from X to Y as the recommended
14 program mix, the recommended program mix is custodial
15 except for the nine programs here that are being
16 recommended at the blended rate?

17 MR. RANDY MCADAMS: That is absolutely
18 correct.

19 MR. MARK IVERSON: Okay. The light
20 bulb is coming on. So for the cultural segment we
21 have got 10 programs listed, again on page 59 through
22 61. Four of those are being identified and
23 recommended at the blended level. And our task, I
24 think, is to say yea or nay or we think you ought to
25 mix it up a little differently.

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1 MR. RANDY MCADAMS: That's right. Do
2 you have any counsel for TVA relative to the way
3 these priorities --

4 MR. MARK IVERSON: The charts in the
5 back were confusing me. I didn't understand that
6 versus what's being recommended and presented from
7 the staff perspective or whatever. So that's very

8 helpful to kind of put it in perspective.

9 Thank you.

10 FACILITATOR WILSON TAYLOR: Paul.

11 MR. PAUL SLOAN: Mark, that was
12 excellent. That was right on. I want go back to
13 something Avis said and also Russell, I think it
14 relates.

15 In trying to make a judgment, if we're
16 doing blended and what the Council is expected or
17 would like input response to, if we're looking at --
18 we're looking at some number between -- between the
19 custodial level between 7 -- we're looking at a
20 number between 7 million and 55 million to go to
21 natural resource sector or function at TVA, that's
22 the range it seems to me.

23 And going back to what Avis and
24 Russell were saying, it seems to me that there's a
25 basic integrity of the asset that must be -- I mean,
1 in my view must be preserved and it must be healthy.¹²⁷
2 The archeological inventory that we have need to be
3 available for future generations.

4 The lands that we have need to be in a
5 healthy condition, and that's -- you have to define
6 that. Leopold would define it as the basic
7 stability, beauty, and dignity of the body community,
8 and I think that that's as good a criteria as any.

9 In order to do that invasives need to

10 be controlled. Erosion needs to be controlled. The
11 data that is needed, the assessments that are needed
12 need to be gathered, and the aquatics needs to be
13 healthy. What I don't -- and that to me is a
14 baseline.

15 And I don't know whether custodial --
16 I mean, is custodial compliant with legal
17 requirements or is custodial requirements compliant
18 with what the base level is for the preservation
19 of the -- and health of these assets or that -- and
20 to me that -- that's really what should be the
21 criteria.

22 And I'm suspecting -- I will suspect
23 that that will -- I don't know. I mean, it's more
24 than 10 -- it's more than paying the salaries of the
25 people who are responsible for doing it when you're
1 probably understaffed in the first place. In fact,
2 we know you are because of what we heard.

3 So I think the -- at any rate, that is
4 the -- that's where I am sort of comfortable in the
5 conversation. If you ask me or ask, you know,
6 whether the priorities on page 14 in each of these
7 are -- whether I should shift camp -- campground
8 locations on dam and power plants under recreation in
9 order to get another higher priority under biological
10 and cultural, I don't have the competency and the
11 information to do that. I mean -- and I -- you know,

12 that's a longer exercise for me.

13 You know, you were saying earlier that
14 it -- Randy, that our job might be to pass on the
15 individual programs, what level of programs, I
16 can't -- I don't -- it's going to be hard -- it's
17 hard for me to get there. I think it's that more
18 basic question that I could speak to and give a
19 strong opinion to.

20 And I will say one further thing, that
21 health of that overall -- those overall resources, I
22 think, are essential to what's important to Ron or I
23 mean to all of us, but particularly is it worth
24 ratepayers -- is it worth it for the ratepayers to
25 pay for the services and economic stimulation and
1 other benefits that are being delivered by healthy 129
2 resources? And to me that's a base level.

3 Now, can you improve on that from that
4 base level to further bells and whistles, that's
5 another -- maybe another analysis. At any rate,
6 that's some thoughts.

7 FACILITATOR WILSON TAYLOR: Thank you.
8 Renee.

9 MRS. RENEE HOYOS: Yeah. I have a
10 question, again, about the plan. So if you're
11 looking at page 14, let's just say biological and
12 cultural resources, TVA is asking for a blended
13 program for these nine programs in the biological,

14 just say in biological resources, but there are 14
15 plus programs that are offered on pages 53 or
16 whatever, 52 to whatever.

17 So what happens to those other
18 programs? Do they go down to custodial or do they
19 not do them?

20 And this would be a question for like
21 all programs because as I'm looking through here I am
22 seeing that all of the four areas have many more
23 program options than we have programs recommended for
24 the blended solution.

25 MR. RANDY MCADAMS: Where's Bo?

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1 MR. BO BAXTER: Yes. The ones that
2 are identified in the Appendix table as custodial
3 would be implemented as custodial. There are
4 programs that would not be implemented under the
5 blended.

6 The Leave No Trace campaign is one
7 that didn't pop up as part of the blended
8 alternative. It's something that's not required
9 under custodial. It would probably not be
10 implemented as a priority in TVA's plan.

11 I think one of the intents of the plan
12 is to keep those advanced options out there. We're
13 not targeting those right know, but we don't want to
14 remove those from consideration ever.

15 MRS. RENEE HOYOS: Okay.

16 MR. BO BAXTER: Some day we might go
17 to one of those advanced programs.

18 MRS. RENEE HOYOS: So if it's not on
19 the list, then it's either custodial or --

20 MR. BO BAXTER: It's either
21 custodial --

22 MRS. RENEE HOYOS: -- it might be
23 advanced?

24 MR. BO BAXTER: -- or it might be only
25 an advanced and only looking way off with dollars
1 there. 131

2 MRS. RENEE HOYOS: Is it possible to
3 put that in the plan as well because I think looking
4 at all of these, you know, it's like a great, big,
5 fancy feast, but you're getting kind of the diet
6 option here with the blended, right?

7 FACILITATOR WILSON TAYLOR: Clarifying
8 comments?

9 Bruce.

10 MR. BRUCE SCHOFIELD: And it's a
11 healthy diet option.

12 MRS. RENEE HOYOS: Right.

13 MR. BRUCE SCHOFIELD: It's to improve
14 and it goes to Paul's comment, custodial -- and what
15 I got from Paul's comment is he wants some assurance
16 that, you know, where we define what custodial is,
17 which is legal, regulatory, and TVA policy statements

18 and policy that's been issued by TVA through various
19 Board actions, does that ensure that our natural
20 resources are at an acceptable level? So that's what
21 custodial does.

22 And as we state on the top of page 14
23 that the things that we have listed there, the nine
24 programs in biological and the four in cultural are
25 in addition to custodial and that's where that
1 elevates the dollars and it elevates the resources 132
2 and that's our -- the recommended blended option to
3 go do that.

4 So when you look at the tables in the
5 Appendix it's -- the recommendation is when you think
6 of enhanced, enhanced includes custodial because
7 custodial -- we, as a policy standpoint, that's the
8 minimum that we have to do to meet all the
9 requirements that are either placed on TVA through
10 regulatory action or legal action or through Board
11 stated policy, and then the blended is that step-up
12 that we think those programs need to go into the
13 enhanced option, you know, to -- as funds come
14 available to go do that, and then the flagship
15 pieces, again, if we get a windfall of money
16 somewhere we may advance those programs to pick up
17 even more or as regulations change, society changes
18 to go do that.

19 MRS. RENEE HOYOS: I think my

20 confusion is that I don't know of these programs ones
21 you're currently implementing and at what level on
22 the scale. So for me I can't tell that this is a --
23 this blended list on page 14 is such a great list not
24 knowing what you do currently.

25 MR. BRUCE SCHOFIELD: Okay.

133

1 MRS. RENEE HOYOS: Does that make
2 sense?

3 MR. BRUCE SCHOFIELD: Yes.

4 MRS. RENEE HOYOS: Okay.

5 FACILITATOR WILSON TAYLOR: Renee,
6 anything else?

7 MRS. RENEE HOYOS: I think I'm done.

8 FACILITATOR WILSON TAYLOR: Thank you.
9 Jean.

10 MRS. JEAN ELMORE: Just a simple
11 question. As much trouble as we're having reading
12 the -- with the checks and what-have-you, would it be
13 easier to have maybe a simple graph rather than
14 checkmarks to show the levels, maybe including the
15 level of funding increases, et cetera, that the
16 general public could maybe recognize and that we
17 could recognize easier? Just a question.

18 MR. BRUCE SCHOFIELD: And I have a --
19 I have a closing slide that lists all of our next
20 steps when it gets to that, and they were in no
21 particular order, other than these are the next steps

22 to go through that.

23 The second one in that is that we need
24 to be sure that it's communicated in a more clear
25 understandable manner. That has now -- I have
1 already moved that up to the top of that list because 134
2 it's become very clear, you know, that those of us
3 that have worked on it understand it when we read it
4 but we have difficulty explaining it to someone who
5 is coming in and not as familiar with it as we are.

6 So we need to redouble our efforts,
7 and that's a commitment TVA is going to make to the
8 Council is that we will, you know, redouble our
9 efforts to make it clear and simple. Graphics are
10 much more understandable at times to the picture is
11 worth a thousand words-type situation.

12 MRS. JEAN ELMORE: Well, you know, the
13 general public would include us in that too to a
14 degree.

15 MR. BRUCE SCHOFIELD: Yes, I
16 understand.

17 MRS. JEAN ELMORE: Our attention span
18 is not that long. So when we, you know, look at
19 something, if we can grasp it just like that, then we
20 move on. And if it's something that we can't, we're
21 probably going to just close it up and say, you know,
22 forget it.

23 MR. BRUCE SCHOFIELD: Good point.

24 MR. MITCH JONES: I would be
25 interested in what their comments came back from the 135
1 public, that they are sitting in a room full of
2 folks, you know, trying to blow this across the table
3 with 300 people.

4 MRS. JEAN ELMORE: Well, the first
5 thing they are going to do is say, what's it going to
6 cost me? I mean, you know, that's -- and if they
7 can't see it clearly, then that's all that's going to
8 stay in their mind.

9 MR. BRUCE SCHOFIELD: First is what's
10 it going to cost and then what am I going to get
11 in --

12 MRS. JEAN ELMORE: Yeah. What's it --
13 how is it going to benefit me?

14 FACILITATOR WILSON TAYLOR: Thank you.

15 MR. BRUCE SCHOFIELD: We have got to
16 do the cost-benefit analysis.

17 FACILITATOR WILSON TAYLOR: Tom.

18 CHAIR MR. TOM LITTLEPAGE: I guess we
19 have touched on -- part of what I'm struggling with
20 is, you know, as we talked a little bit before about
21 the scope of this we said essentially that not
22 everything is going to be custodial and not
23 everything is going to be flagship, but I'm thinking
24 outreach probably is a flagship initiative if we can
25 define and bound it. It's basically buried into

1 these sectors, but the concept of outreach needs to
2 be flagship in the sense of figuring out how do we
3 reach out across these sectors.

4 How do we explain, A, what TVA is
5 doing and the challenges it faces; and B, where it's
6 not doing something what are the limitations? What
7 are the upcoming problems? Where does it lack the
8 authority or need partnerships to work with state or
9 local or regional entities to help bridge that gap?

10 You know, so that concept of outreach,
11 really it's a flagship concept. It's just defining
12 how it fits across all of these sectors and how --
13 how we can unify or define the dollars associated
14 with that.

15 FACILITATOR WILSON TAYLOR: Avis.

16 MRS. AVIS KENNEDY: Just looking over
17 the -- in the individual programs, you know,
18 currently what's spent, what would it increase to
19 with the recommended program mix, along with the
20 figures on page 11, are we looking at something like
21 a doubling of the amount of funding going -- from
22 what is currently going to the natural resources
23 programs to what is in the recommended program mix?

24 MR. RANDY MCADAMS: Great question.

25 MRS. AVIS KENNEDY: Would that be an
1 accurate guesstimation? 137

2 For example, we're showing in

3 biological resources we're going to go from 3 to 4
4 million to 8 to 9 million with the recommended
5 program mix. So do we have a feel for how the
6 recommended program mix money-wise equates to what's
7 being spent now? How do those two relate?

8 MR. BRUCE SCHOFIELD: And that's what
9 I thought. It's about triple because it's 7 to 9
10 today, and the recommended alternative is going to
11 enhance, which is estimated to be 20 to 24 million.
12 So if you look at the 7, we're tripling it.

13 MRS. AVIS KENNEDY: And in the -- is
14 there a way to put that in the context of what the
15 funding for these programs has been since, say, 2000
16 since TVA went off appropriated funds? Was it higher
17 in the past than what it is right now or was it lower
18 or has it been about the same?

19 MR. BRUCE SCHOFIELD: It was higher, I
20 think, when we -- and I wasn't in this, but I think
21 when we lost appropriations it was somewhere in the
22 range of 50 to 70 million.

23 MRS. AVIS KENNEDY: That was what was
24 being spent when you --

25 MR. BRUCE SCHOFIELD: That's what we
1 were getting in appropriated funds to do this. 138

2 MR. RON FUGATT: I don't think that's
3 correct.

4 MRS. AVIS KENNEDY: I think it would

5 be really interesting --

6 MR. RON FUGATT: I think you were
7 getting that much money, but it wasn't all just for
8 this.

9 MRS. AVIS KENNEDY: -- to see.

10 MR. BRUCE SCHOFIELD: True. Some of
11 it was economic development, but we got those funds
12 and so it was in there but it's --

13 MRS. AVIS KENNEDY: I think it would
14 be really interesting to see a year-by-year, you
15 know, kind of how the funding for these programs has
16 gone maybe with the last year of appropriated funding
17 being kind of the beginning of it.

18 MR. BRUCE SCHOFIELD: We can get that.

19 FACILITATOR WILSON TAYLOR: Thank you.

20 MR. BRUCE SCHOFIELD: You're right,
21 Ron, it wasn't -- all of the appropriated funding
22 wasn't towards natural resources.

23 MRS. AVIS KENNEDY: Because I think,
24 you know, when the public looks at, do I think it's
25 worth it, what am I going to get for my money, you
1 know, that would be a point of reference for them is
2 to see here's what you were getting in the past and,
3 you know, here's what it is or has been in the
4 intervening years.

5 FACILITATOR WILSON TAYLOR: Okay.

6 Avis, anything else?

7 MRS. AVIS KENNEDY: That's it.

8 FACILITATOR WILSON TAYLOR: Ron.

9 MR. RON FUGATT: I just want to make a
10 comment that helps me a little bit is that we're
11 being asked to do some due diligence on these
12 programs and their cost and benefit with the
13 information that TVA is providing, but TVA's Board is
14 going to make the ultimate decision whether there's
15 any money appropriated for this or not.

16 And what they're really saying is as
17 they look at the budgets each year and they get these
18 requests from all the different aspects or
19 departments of TVA, then they are going to be
20 weighing these, but the most justification for doing
21 these things that can come out of this group the more
22 I think that there would be some inclination on the
23 part of the TVA Board to -- if they adopt this
24 particular, you know, blended plan as their NRP, then
25 they are going to be inclined to start funding some
1 of that, but they don't have to fund any of it. It
2 would totally be up to them.

3 I was teasing Bruce earlier, and the
4 reason I brought out the economic development, TVA's
5 economic development budget is pretty high. It's a
6 pretty big budget. And I asked him if he had ever
7 got -- he tried to get any of their money, and he
8 said every chance he got, but that's what's going to

9 happen, I think.

10 What puts it in perspective for us is,
11 I think, obviously we're going to be prudent in what
12 we recommend, but we also need to understand this has
13 got another set of eyes looking on it too and they
14 are eventually going to determine what portion of
15 that it is.

16 It is a good approach to -- I think
17 it's a pretty reasonable approach on TVA's part to
18 say, okay, here's what we're doing, here's some
19 things that seem to have some cost benefit, because
20 there's been some cost benefit that went into putting
21 these priorities in there, and I think that that's
22 all well and good. We may have left out a few,
23 that's what some of you pointed out today, but that
24 gives me some perspective.

25 MR. RANDY MCADAMS: Good point.

1 FACILITATOR WILSON TAYLOR: All right. 141

2 Renee.

3 MRS. RENEE HOYOS: Yeah. I have a
4 question about the public engagement programs, I
5 don't see them listed on the NRP snapshot. So are
6 they embedded?

7 MR. RANDY MCADAMS: What was the
8 question? I'm sorry.

9 MRS. RENEE HOYOS: The public
10 engagement programs that Tiffany spoke about.

11 MR. RANDY MCADAMS: Yes.

12 MRS. RENEE HOYOS: I don't see them in
13 NRP snapshot.

14 MR. RANDY MCADAMS: Yeah. We just
15 couldn't fit them on one page. I mean, they are
16 still valid and they are still being pursued, and I
17 think to Tom's excellent point, I think some counsel
18 that's going to come from this group is to really
19 make those a high priority, I think. Just because
20 they are not on that one page it -- we just tried to
21 focus that one page, that one-page snapshot, on the
22 actual resource areas, not public engagement
23 specifically.

24 MRS. RENEE HOYOS: Okay.

25 MR. RANDY MCADAMS: I wouldn't read
1 anything more into it. 142

2 MRS. RENEE HOYOS: Okay.

3 FACILITATOR WILSON TAYLOR: Anything
4 else? Mr. Chairman, anything else?

5 CHAIR MR. TOM LITTLEPAGE: I think
6 it's been suggested -- this may be an appropriate
7 time to take a lunch break. What time do we need to
8 be back here?

9 FACILITATOR WILSON TAYLOR: Let's plan
10 on being back here at 1:00 because I don't know if
11 we're going to have a trip at all today. So we will
12 have time to work through the rest of the material.

13 MR. MITCH JONES: Based on the
14 workload, I don't think you have got time for a trip.

15 MR. BRUCE SCHOFIELD: Just given the
16 following -- given the weather patterns that we
17 expect behind us, the uncertainty as to whether
18 they're coming north, south or come straight through,
19 we have basically made the decision not to put you
20 folks in harm's way.

21 MR. MITCH JONES: There's really good
22 work here to be done.

23 FACILITATOR WILSON TAYLOR: 1:00 be
24 back at the draft NRP mix. Back to you Randy at
25 1:00.

1 CHAIR MR. TOM LITTLEPAGE: The lunch,¹⁴³
2 rather than where it normally is, it's right out here
3 in the lobby. Is that the logistics for lunch?

4 MS. HELEN RUCKER: Yes.

5 CHAIR MR. TOM LITTLEPAGE: We're not
6 going this way, we're going out here to lunch.

7 (Lunch recess.)

8 FACILITATOR WILSON TAYLOR: Introduce
9 Chuck Bach, general manager of river scheduling.
10 He's going to give us some updates on what TVA is
11 doing with the water and answer any questions you
12 might have.

13 Chuck, if you would speak in the mic
14 we will grab your comments.

15 MR. CHUCK BACH: I have to walk. Can
16 I walk? I will talk loud.

17 FACILITATOR WILSON TAYLOR: As long as
18 she can hear you.

19 MR. CHUCK BACH: Thank you, Wilson. I
20 appreciate that. I know several of you, Russell I
21 remember from several times ago, Bill, a few others,
22 what I would like to do is take a minute and talk
23 about river scheduling and how we operate the river
24 and then a few minutes to talk about what's going on
25 right now.

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1 So let me first start off by talking
2 about how we run the river. We operate it for
3 several benefits, and we try to maximize all
4 benefits. These include what we call flood damage
5 reduction, some people call it flood control,
6 navigation, hydro generation, water quality, water
7 supply, and recreation.

8 So we operate the river system in an
9 annual cycle. It's based on a hydrologic cycle.
10 Typically we get the largest rain events in late
11 winter and early spring. So we bring our reservoir
12 down to lower levels in that time frame in the winter
13 so that we have a place to store that water.

14 Then when June comes around, we try to
15 bring the water levels back up so we have recreation
16 for all the tributaries and the main stems. So we

17 have that cycle going on every year. And then we try
18 to keep them up high until Labor Day and then we
19 bring them back down and then bring them back up in
20 the springtime.

21 By doing that what happens is when you
22 get a lot of these rain events, like we had recently,
23 we have a place to store our water. By storing that
24 water we can keep from adding to the flooding that
25 might be going on in the unregulated streams. The
1 unregulated streams are streams that don't have dams¹⁴⁵
2 on them. Whatever comes into those come down river
3 and there's nothing TVA can do about that until it
4 gets down to the main stem into one of the
5 tributaries we have and at that point then we can
6 control that water.

7 By having placed a store to that water
8 and holding it back, if there's lots of water coming
9 we can move it out to the main stem of the river.
10 When I say main stem, I'm talking about Fort Loudon,
11 Chickamauga all the way down to Wilson and Kentucky.
12 We can move that water out and then pull water in
13 from the tributaries out behind so that we're not
14 floating people.

15 So that's the annual cycle that we go
16 through upstairs in the river forecast center. If
17 you ever get a chance to come up and see our
18 operation, you're more than welcome. We're very

19 proud of it. We would love to show it to you.

20 So we have got that cycle going on.

21 Then on the top of that you throw in a large rain
22 event, and starting in March and February of this
23 year we have had some significant rain events here in
24 Knoxville, we had one that was very, very intense and
25 there was lots of flooding, localized flooding, but
1 because we had places to store the water we didn't¹⁴⁶
2 have flooding on the Tennessee River or below any of
3 our tributary dams and tail releases. So that was a
4 real good thing that we do from TVA's standpoint to
5 help minimize that kind of flooding.

6 So here we are in operation starting
7 in February and in March you get a rainstorm, another
8 rainstorm and another rainstorm, and slowly it builds
9 up and then we reach a point where we have to move
10 water. What we do first is turn on our turbines. We
11 run what we call turbine capacity, and that's all the
12 turbines running 24 hours, seven days a week, and
13 that's good for TVA and stakeholders because it's the
14 least expensive form of generation. We don't have to
15 pay for the fuel. So we try to do that first, but
16 sometimes we can't move water fast enough and so we
17 have to spill through the gates.

18 So you will see us always running the
19 turbines first, and then we follow it up with opening
20 up the gates and doing spilling. Then you will see

21 that on the Tennessee River right now we're doing
22 some filling down through it. Then on top of that,
23 if there is a prediction for flooding on the lower
24 Ohio or Mississippi, the Corps of Engineers actually
25 take over the operation of our Kentucky Dam.

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1 So we're in that position right now
2 where they take over the operation. They work with
3 us, but they have the call of what to do on Kentucky.
4 And what they do, they are looking at the Lower Ohio
5 and Mississippi and what can we do with Barkley and
6 Kentucky. Barkley is on the Cumberland System. What
7 can we do in operations to reduce the rest of the
8 Lower Ohio.

9 Typically what we do before the crest
10 comes down the Lower Ohio is run the water, draw them
11 down a little bit, and then when the crest comes down
12 we shut those off and let the crest go on through and
13 then we come in behind it and help cut back on the
14 crest.

15 Right now we have a very significant
16 operation going on. If you have been watching the
17 news at all you have seen a lot of rain falling on
18 the Ohio and Missouri and Mississippi. We're seeing
19 about 15 inches or more on those areas. That water
20 has got to go somewhere. As you might expect, down
21 the Ohio and down the Mississippi there's a lot of
22 flooding.

23 If you watch the news there's already
24 pictures of it showing up. We have been, in
25 anticipation of that, pulling down Kentucky
1 Reservoir, and now we're starting to cut back on it. 148
2 Friday we're planning to go to zero discharge on
3 Kentucky. So that means Kentucky will go up pretty
4 high.

5 Unfortunately for the fisheries this
6 is not a good operation because the fish are at a
7 point where they like to spawn at this time of the
8 year and they like to have the level rising.
9 Unfortunately, we're going down and going back up.
10 So we're going to hurt the fisheries a little bit
11 this year. We're doing it because of flood control.

12 As far as getting Kentucky pulled back
13 up to summer recreational levels, I don't believe
14 that will be a problem with all the rain we have got
15 in the forecast. So that's the operation we're in
16 right now.

17 I am working my way through the
18 system. The tributaries are in great shape for
19 summer recreation. We have had a lot of rain and
20 kept them right up to the flood guides where we need
21 to be. We fully expect to be at full summer pools on
22 our tributaries this year.

23 Working our way down through the main
24 stems, we hold those down a little lower to create a

25 place to store some water, but they will fill back up
149
1 real quickly. So we will be in a good position for
2 recreation this year.

3 Over on the Cumberland system, they
4 are holding the water back on their system also.
5 They are closing their Cheatham lock today because
6 they are expecting a lot of rain, and that will be
7 just for a couple of days and then they will open it
8 back up. We have already talked with TVA fuels
9 people to make sure they are aware of it because they
10 move a lot of coal up to our Gallatin Steam Plant
11 through the Cumberland system. So they are aware of
12 it and on top of it and we should be okay there.

13 So we will continue in that operation
14 probably for the next three or four weeks because
15 there's lots and lots of water. We were just looking
16 at the radar. There is a big storm coming moving
17 through and right behind it there's a second one. So
18 there's two more waves coming through Knoxville that
19 we need to watch out for severe weather here. So
20 just a head's up for everybody to watch out for that.

21 The Tennessee River System, I think
22 we're in good shape. We're seeing some large amounts
23 of rain in the western part of the Valley, about
24 5 inches, but that storm seems to be moving through.

25 We have heard about some damages from
150
1 strong winds out in the Alabama and Mississippi area.

2 There's been some impacts on our transmission lines,
3 but that's all I have heard on that. I haven't heard
4 anything else.

5 That's just a quick overview and where
6 we're at. Like I said, if anybody would like to come
7 up to the forecast center sometime to see it, I would
8 be more than glad to show it off. We're very, very
9 proud of it.

10 Questions for me?

11 MR. BILL FORSYTH: Hiwassee Lake has
12 dropped about 5 or 6 feet in the last week. You're
13 evidently not holding water there.

14 MR. CHUCK BACH: We had some trash
15 rack problems. So we're working on those track racks
16 and so we don't have big stuff coming through, but it
17 will come back up.

18 Let's see. Blue Ridge, that's a good
19 one. On the Blue Ridge Reservoir some of you may be
20 aware that we are doing a seismic fix over there.
21 Part of that is a water fix. So we pulled that
22 reservoir down 70 feet and held it there for six
23 months and now we're coming back up. Because Mother
24 Nature is treating us so good, we're looking real
25 good at getting it full again. So we're up 1660,
1 that's 30 feet already in the last month. We need 30¹⁵¹
2 more feet. So we're on track to get it up there
3 pretty good and we're real happy there. We were

4 concerned about being able to refill Blue Ridge.

5 FACILITATOR WILSON TAYLOR: Phil.

6 MR. PHIL HAZLE: Yes, sir. I live on
7 Kentucky Lake in Kentucky, and I wish y'all would
8 consider maybe not dropping the water around Labor
9 Day and leave it up a little higher if you could for
10 recreation. A lot of the economy, as far as the
11 marinas and the business in our county, you know, we
12 get a lot of people from out of town and if you drop
13 the lake down and they have got a rented boat or
14 whatever and they don't know the lake and they tear
15 up a boat or bring their boat down and get it messed
16 up. I think if you could leave that water up a
17 little bit higher and a little bit longer it will
18 help the economy up that way.

19 MR. CHUCK BACH: I hear what you're
20 saying. I have this system of 49 dams that operate
21 as a system, and Kentucky obviously is a very
22 important part of it because it's a very large
23 reservoir. Like I talked about in the beginning, we
24 create space to hold that water back when the other
25 ones are flooding.

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1 We did a study in 2004 called the
2 River Operations Study. Out of that came the policy
3 that we follow. So I'm committed to following that
4 policy, and I don't have leeway to change that. It
5 would have to take a policy change for me to be able

6 to do that.

7 CHAIR MR. TOM LITTLEPAGE: Yeah.

8 While you're on Kentucky, I guess I did not realize
9 you went to zero discharge. So that means no water
10 is going through the turbines at all?

11 MR. CHUCK BACH: On Friday it will be
12 zero.

13 CHAIR MR. TOM LITTLEPAGE: And how
14 long can you sustain that? Is this a matter of hours
15 or a day or so?

16 MR. CHUCK BACH: No. This will be
17 three or four days before the reservoir comes up.

18 CHAIR MR. TOM LITTLEPAGE: And so
19 you're having to back water up through the entire
20 system to accommodate?

21 MR. CHUCK BACH: A little bit, yes.
22 Like I said, we created a lot of space and so we have
23 got places to store the water. We anticipated this
24 and did the best or dug a hole, you might say, so we
25 have places to store that water. So we got out in
1 front of it. 153

2 MRS. JEAN ELMORE: Was it -- excuse
3 me. Go ahead.

4 FACILITATOR WILSON TAYLOR: Renee.

5 MRS. RENEE HOYOS: I actually have a
6 question about -- I think it's the Allen Fossil
7 Plant, I hear the Mississippi is scheduled to crest

8 at 44 feet, which is really high, and Allen has got
9 some problems with a coal fly ash pond, can you let
10 us know what's going on there?

11 MR. CHUCK BACH: We have been watching
12 the crest at Memphis, which is upstream from Allen,
13 and right now it's predicted to crest at 229 and the
14 ash ponds, I think, are like 437 at Allen. So you're
15 actually down a hill a little bit. So the crest
16 might be 228 at Allen. So we have got several feet
17 difference between getting to the top of those ash
18 ponds and things like that.

19 MRS. RENEE HOYOS: 22.9 what?

20 MR. CHUCK BACH: Elevation.

21 MRS. RENEE HOYOS: Okay.

22 MR. CHUCK BACH: 229 would be feet
23 above sea level.

24 MRS. RENEE HOYOS: Okay. And then
25 Allen is -- and then the pond is 437 or 237. 237.
1 All right. 154

2 MR. CHUCK BACH: So we have got
3 several feet.

4 DFO ANDA RAY: We do have -- incident
5 command centers are set up at both Shawnee and Allen,
6 which means there's an incidence commander. All the
7 local emergency response have been notified. We have
8 our emergency response staff at those two sites, and
9 they do have the environmental response team in case

10 there is any kind of a spill or an integrity issue
11 because of the water.

12 MR. CHUCK BACH: I know we have people
13 inspecting them multiple times a day. They have
14 equipment there. They have additional material to
15 see if something is happening.

16 MRS. RENEE HOYOS: Was that pond being
17 rehabbed?

18 DFO ANDA RAY: Shawnee?

19 MRS. RENEE HOYOS: The fly ash pond.

20 DFO ANDA RAY: Allen was being dry --
21 I mean, from wet to dry, but I don't remember where
22 it was in the schedule. It's on the list, but I
23 don't know where it was.

24 MRS. RENEE HOYOS: Okay.

25 MR. CHUCK BACH: Does that help you,
1 Renee? 155

2 MRS. RENEE HOYOS: Yeah, it does.
3 Thanks.

4 MRS. JEAN ELMORE: I just found it
5 interesting that wasn't it three years ago that we
6 were so concerned and spent so much time on the
7 drought issue, I mean, how things do turn around.

8 CHAIR MR. TOM LITTLEPAGE: The drought
9 will be back. Don't worry about it.

10 MRS. JEAN ELMORE: It's a cycle. You
11 have to deal with it all.

12 MR. CHUCK BACH: The neat thing about
13 floods is it happens quick and it's gone where a
14 drought just goes forever.

15 MRS. JEAN ELMORE: Too bad we can't
16 store all that water up we're getting now and keep it
17 and put it out in a drought.

18 MR. TOM LITTLEPAGE: Mitch.

19 MR. MITCH JONES: Just to follow up on
20 Phil's comment a little bit, in the State of
21 Tennessee, House Bill 1805 and Senate Bill 1471 have
22 passed, which requires the entire state public school
23 systems to not have school start before the fourth
24 Monday in August. So as you're doing your planning,
25 school is now -- they have to be out and out of the
1 classroom the Friday before Memorial and you can't go ¹⁵⁶
2 back until the fourth Monday in August effective
3 tomorrow, just a little something for you.

4 MR. CHUCK BACH: I'll add it to my
5 stipulations.

6 MR. MITCH JONES: You don't have any
7 other classified issues ahead of that, do you?

8 CHAIR MR. TOM LITTLEPAGE: That would
9 be volume six of your decision criteria.

10 MR. MITCH JONES: Page 13.

11 MR. CHUCK BACH: You know, we get a
12 lot of requests on the river, and we try to honor
13 them and move them in and fix them. You know,

14 there's people that like to boat on the river and
15 then people over at Oak Ridge that get out there and
16 kayak or whatever that's called. So, you know, we
17 try to work all of those in. People like to get out
18 and clean up the river, and we try to work that in.

19 MR. MITCH JONES: But you do a really
20 good job in not lowering Loudon until after the last
21 home game, let's get our priorities straight and the
22 criteria here.

23 MR. CHUCK BACH: I get accused of
24 that, but if you look at my guide curve you will see
25 I follow my guide curve.

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1 MR. MITCH JONES: Back that one up.

2 DFO ANDA RAY: It's true, we do tease
3 him, but he really is following his guides. We don't
4 miss a chance to rag on him, but he doesn't do that.

5 CHAIR MR. TOM LITTLEPAGE: I guess one
6 last question on the flood response, and I should
7 know the answer to this, but are y'all routing a lot
8 of water through the TennTom to help alleviate? How
9 does it figure into the operation?

10 MR. CHUCK BACH: Very little. We
11 don't even consider the water going down the TennTom
12 as part of what we do.

13 CHAIR MR. TOM LITTLEPAGE: It's just a
14 buffer you can use if you need to back --

15 MR. CHUCK BACH: It's small there

16 really isn't a lot of water that goes down through
17 there because you have got locks and it just doesn't
18 move a lot of water down through there. So we don't
19 even factor it into our equation.

20 FACILITATOR WILSON TAYLOR: Mark.

21 MR. MARK HOMMRICH: I understand there
22 may be another move in Atlanta to call for interbasin
23 transfers from the Tennessee River. I think they
24 passed the resolution, the legislature a few weeks
25 ago or something like that. What does --

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1 MR. CHUCK BACH: We're always -- in my
2 water supply group they are always staying on top of
3 that. Georgia is obviously looking for places to get
4 more water and a couple of years ago was -- the
5 boundary was surveyed wrong and part of the Tennessee
6 River is in Georgia. So we do hear that a lot.

7 Now they want to go to the Georgia
8 tributaries and put a straw in them and pull them
9 out, but as soon as they really realize what's going
10 on I fully expect them to say, whoa, we don't want
11 that to happen.

12 On the Tennessee side, as I understand
13 it, they have passed legislation, and maybe somebody
14 has a better feel than I do, that you can't have an
15 interbasin transfer without getting approval from the
16 people in Tennessee. So we have got all of this
17 stuff going on.

18 I really wish people would sit back
19 and start thinking about water management and all of
20 those pieces and parts and get themselves ready
21 because, as Jean said, we're going to come through
22 another drought here pretty soon and all of a sudden
23 everybody is going to be at the table again. So when
24 there's a lot of water it's not a problem, but when
25 it's a drought everyone comes to the table with their
1 hands out. 159

2 We watch that all the time. We have
3 something called interbasin transfers. We go through
4 a very rigorous process. Part of the process is the
5 state where the water is coming from has to approve
6 it ahead of time before we can even entertain
7 interbasin transfers. An interbasin transfer is
8 taking water from this basin and moving it over to
9 that one. Okay.

10 FACILITATOR WILSON TAYLOR: Any more
11 questions for Chuck?

12 CHAIR MR. TOM LITTLEPAGE: Thank you,
13 Chuck, for taking your time to come down here. We
14 appreciate it.

15 MR. CHUCK BACH: Thank you. You're
16 always welcome to come to the tenth floor to the
17 forecast center.

18 FACILITATOR WILSON TAYLOR: We will
19 take you up on that.

20 All right. Randy, back to you.

21 MR. RANDY MCADAMS: Sure. We will
22 come back to the resource area by resource area
23 walk-through. I think that we're going to switch the
24 agenda slightly and we're going to drop down to
25 recreation. Tiffany had to step out for a minute.
1 So walk us through recreation, Jerry Fouse is the 160
2 recreation strategy specialist.

3 MR. JERRY FOUSE: Thank you, Randy.
4 If you want to follow along on your -- in your
5 natural resource plan book I think all of have been
6 provided, the summary, of course, is on page 14 for
7 the blended alternative items, and then pages 97 and
8 98 give you your detailed listing for recreation
9 alternatives.

10 Then I will speak, and following the
11 Power Point slides for this presentation as we go
12 along, if you have questions, we will get to those in
13 a second.

14 The objective for recreation here at
15 TVA is to protect and conserve our natural resources
16 while providing recreational opportunities across the
17 region. TVA is committed to maintaining and
18 enhancing recreation opportunities and addressing
19 unmet recreation needs through comprehensive
20 recreation programs and strategic partnerships.

21 This particular objective at one time

22 was our mission statement for the recreation
23 strategy. It's served us well over the last five or
24 six years in terms of keeping us focused on our
25 mission and objectives for recreation.

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1 We have five critical success factors
2 that support that. We provide recreation
3 opportunities on TVA managed lands. We plan,
4 collect, and manage the TVA recreation information.
5 We provide diverse recreation through collaborations
6 and partnerships.

7 We utilize recreation as a platform to
8 showcase sustainable resource technologies. Were you
9 able to do your field trip today to Melton Hill you
10 would see that in action where the technology
11 innovations group, which is another element of Anda's
12 organization, provided us with technical assistance
13 and support. They have a variety of the engineering
14 skills in that organization, and they came out and
15 helped plan and implement the items that we did at
16 Melton Hill. We're really proud of that. I will
17 speak to that in a few minutes when we get to talking
18 about tours because that plays an integral part of
19 that particular aspect.

20 The final critical success factor is
21 to integrate operation activities and partnerships
22 that support outdoor recreation opportunities to more
23 effectively manage lands and waters of TVA

1 upgrade these facilities.

2 And in this arena that would be the
3 eight campgrounds that we have, the 8 of the 12 that
4 are on dam reservations. So we would be upgrading
5 those to make them universally accessible and meet
6 the universally accessibility standards and
7 guidelines.

8 And then for the four that are off the
9 dam reservations, the four campgrounds that we have,
10 we would seek partnerships as third-party agreements
11 to help us efficiently and effectively operate and
12 maintain those facilities for TVA.

13 The opportunity here would be to
14 showcase the technologies, to make them universally
15 accessible, more family friendly. Of course, we
16 would focus on the safety aspect of using those
17 facilities.

18 And one aspect of that in the
19 technology and innovations arena would be in a
20 program we call camp right where we would demonstrate
21 the technologies to other campgrounds and other
22 operators to have them consider implementing some of
23 those things in a green application to do at their
24 own campgrounds. So we would hope that that program
25 would move forward as we go into this.

1 In day-use areas, most of you know we
2 have 63 day-use areas at TVA, and 30 of those are on

3 the dam reservations, 33 of them are stand-alone
4 areas off the dam reservations on shoreline
5 properties. Those 33 primarily represent stand-alone
6 boat ramp facilities. Some of them were larger
7 trail-head facilities.

8 And in addition to that, we have 81
9 stream access sites. Now, 50 of the stream access
10 sites are committed in partnerships with their agency
11 partners. So we still maintain and operate 31 of the
12 stream access sites. They are primarily on the upper
13 reaches of the reservoir system and on the
14 tributaries of the reservoirs.

15 We would continue to manage those
16 proactively and upgrade those day-use facilities to
17 meet 88 standards, the Americans with Disability Act
18 guideline standards, and to demonstrate sustainable
19 technologies in those areas.

20 We would also continue to seek
21 partnerships for the ones that are off dam
22 reservations so that we could effectively and
23 efficiently manage them but still maintain them as
24 open to the public.

25 Primarily these areas provide for
1 improved water access, and that's a primary focus of 165
2 these shoreline properties that we have, the 81
3 stream accesses and the day-use areas. We would
4 continue to provide opportunities for stakeholder

5 input on the management of those and also look to
6 enhance those with partnerships, particularly through
7 our traditional partners of fish and game agencies,
8 local government, parks and recreation departments,
9 and state park agencies.

10 Next slide. My bad. Thank you. The
11 programs that I just discussed would essentially
12 represent about 50 percent of the budget increase
13 that we talked about starting in 2012 as we go
14 forward with this. So of that additional \$2.5
15 million, about 50 percent of that would go for these
16 updated developed recreation areas.

17 On this slide you will see that the
18 developed recreation inventory and surveys, that's a
19 tool that we use where we inventory the recreation
20 facilities on the reservoir system. That oracle
21 database is used then to feed into our map viewer
22 that's on the external website for people to be able
23 to access public information to TVA's recreation
24 areas.

25 We currently update that inventory on
1 a three-year cycle rotating basis, and what I mean by 166
2 that is we only update a third of that inventory a
3 year. So there's always two-thirds of that inventory
4 that's not completely accurate.

5 What we would do here with some of
6 these additional funds is we would begin to maintain

7 an updated database on an annual basis so that we
8 could have accurate information on an ongoing basis.
9 One of the things of having the environmental
10 information center upstairs with the toll-free number
11 is that we're expected in real-time now to have an
12 updated inventory. Well, that's just not possible.
13 I mean, you have a planned staffed for that
14 capability. So now this expanded operation would
15 give us that opportunity and would help the public
16 and the stakeholders understand more about changes in
17 inventory information as it's available to them.

18 Perhaps at a later date I will get a
19 chance to preview the map viewer. And I will say, in
20 all honesty, a lot of these things as a recreation
21 planner I don't do them, but we have great technical
22 support here at TVA. So the map viewer is something
23 that corporate communications did for us and had
24 their computer programmers come along and put in
25 place.

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1 Finally, the annual tours on this
2 page, as we do these technology innovations,
3 particularly at Melton Hill where we're proofing a
4 variety of technologies, we would have a spring media
5 tour where we would bring the media together and
6 showcase those technical aspects of what we have done
7 there to provide sustainable recreation opportunities
8 at Melton Hill.

9 Then in the fall we would have a
10 technology transfer tour and bring together the
11 agency partners and the agencies that are in the
12 recreation business from around the reservoir system
13 in the seven states and we would give them the
14 technical information for the cost of these items,
15 which of the items have proven to be most successful
16 in terms of recreation applications, which ones have
17 saved us the most money, which ones generate the most
18 electricity, and those kinds of things, and provide
19 that information to those agencies so that they could
20 take it back and when they get the funding in their
21 states they would apply that to their parks and
22 recreation areas as well.

23 So that sort of concludes my
24 presentation, but if any of you have any questions I
25 will be glad to try to answer them.

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1 FACILITATOR WILSON TAYLOR: Renee.

2 MRS. RENEE HOYOS: Now that I got the
3 plan I have got a couple of questions. It looked
4 like from the public comment that people really,
5 really, really value recreation. So I'm wondering if
6 maybe we should put more emphasis on public -- on the
7 recreation programs. Like the greenways programs was
8 only going to be -- it wasn't even going to be
9 custodial. You guys weren't going to do anything
10 with that except if -- if it was -- if we suggested

11 an advanced option, am I reading that correctly?

12 DFO ANDA RAY: (Moves head up and
13 down.)

14 MRS. RENEE HOYOS: So I'm wondering if
15 may be need to honor what we have learned in public
16 comments and say, well, let's put more added emphasis
17 on enhancing more recreational opportunities since it
18 seems like the public is really, really interested in
19 that.

20 MR. JERRY FOUSE: I didn't buy her at
21 lunchtime, by the way.

22 DFO ANDA RAY: I think that's one of
23 the things we have got to discuss. That's exactly
24 one of the higher levels. To what Paul was saying,
25 you know, well, is this the right level for a company
1 that has a \$12 billion income or revenue? Is this¹⁶⁹
2 the right areas to have emphasis on because this --
3 of the four areas this isn't the one that's currently
4 being proposed to have the most funding, nor does it
5 have the most funding now.

6 MRS. RENEE HOYOS: Right.

7 DFO ANDA RAY: So I think that's one
8 of those comments and advice you'd give us at the end
9 as well.

10 MRS. RENEE HOYOS: Oh, at the end.
11 Okay.

12 FACILITATOR WILSON TAYLOR: Ron.

13 MR. RON FUGATT: Yes. What changes
14 from year to year that you have to inventory so much
15 in a recreation area? I don't understand what that
16 is.

17 MR. JERRY FOUSE: Well, we inventory
18 the entire public recreation, which includes
19 commercial, by the way, if it's available to the
20 public. Assets on the inventory -- on the reservoir
21 system, and that is a tool that we use when we review
22 and describe our NEPA -- our environmental reviews
23 for various requests for 26(a) permitting or land use
24 of TVA public lands.

25 So that's the inventory that we have
1 available. It's got over 1,000 entries in it, and it 170
2 changes from time to time. If it stayed the same it
3 would be much easier to manage, but unfortunately it
4 doesn't. People sell and trade their campgrounds.
5 They sell their marinas. They add to their
6 facilities. So it's those kind of changes that we're
7 trying to capture in the updated information.

8 DFO ANDA RAY: But he said why are you
9 doing all of them every year, and you're not getting
10 them all done.

11 MR. JERRY FOUSE: Well, what we're
12 talking about is doing all of them each year in the
13 enhanced version, but we don't do that now, no. We
14 only do a third of them a year now.

15 Ron, was that your question?

16 MR. RON FUGATT: Yeah. I guess I --
17 you clarified it because I was thinking here's a
18 campground that's got so many spots in it, what
19 changes from year-to-year that you don't have to --
20 that you would want to go out there every year?

21 But you're talking about all of the
22 marinas or, I guess, anything due to the recreation,
23 not just the dispersed use of the land, is that what
24 you're telling me?

25 MR. JERRY FOUSE: That's correct, 171
1 that's on the TVA reservoir system, yes.

2 MR. RON FUGATT: Okay. That clarifies
3 it. Thanks you.

4 FACILITATOR WILSON TAYLOR: Mitch.

5 MR. MITCH JONES: Jerry, the eight
6 campgrounds that you manage, are they strategic and
7 secure -- is it strategic and security reasons in
8 which you manage those eight?

9 MR. JERRY FOUSE: I'm sorry. Are you
10 asking are the eight -- they are on dam reservations
11 and we can lock them down in a secure situation.

12 MR. MITCH JONES: My question is:
13 Those eight are managed by you for security and
14 strategic reasons? You haven't decided to contract
15 those out and you manage those eight?

16 MR. JERRY FOUSE: We would probably

17 never contract them out.

18 MR. MITCH JONES: All right.

19 MR. JERRY FOUSE: And one of the other
20 reasons is because they are part of TVA's brand. I
21 mean, they are associated with TVA's monument signs
22 and the blue signs that are there as part of the dam
23 reservation and part of who TVA historically has
24 been.

25 MR. MITCH JONES: Okay. Thank you.

1 DFO ANDA RAY: Yeah. Can we -- can we¹⁷²
2 ask if James can speak next?

3 FACILITATOR WILSON TAYLOR: James,
4 come to the microphone.

5 MR. JAMES ADAMS: TVA has been
6 operating those same 11 for probably 15 or 20 years.
7 So it was pre-9/11 that those decisions were made.
8 Now security has a new thought after 911, but
9 continue to operate those.

10 We operate four that are beyond the
11 dam reservation, Loyston (phonetic) Point, Mallary
12 Creek, Foster Falls, and there's one more I am
13 forgetting. Business decisions were made back in the
14 late '90s, and we actually operated many more
15 campgrounds that then we put on commercial leases.
16 We leased them out to their folks.

17 I think partly the answer is, yes,
18 it's for security reasons, but we have four more that

19 are not on dam reservations.

20 MR. MITCH JONES: Thank you.

21 MR. JERRY FOUSE: Thank you.

22 CHAIR MR. TOM LITTLEPAGE: Thanks,
23 Jerry.

24 MR. RANDY MCADAMS: Well, continuing
25 on to the next resource area we're going to talk 173
1 about reservoirs land planning. This is going to
2 have a slightly different flavor to it from the other
3 resource areas in that this has not been evaluated in
4 terms of different alternatives. This is more about
5 the process around our lands planning.

6 So to walk us through that is Chellye
7 Campbell with lands planning.

8 MRS. CHELLYE CAMPBELL: Hello and good
9 afternoon. I hope everybody had a good lunch and can
10 stay awake during all of this.

11 What I want to talk to you today about
12 is going to be a little bit different, like Randy
13 said, from the other resource areas. I am going to
14 talk about lands planning.

15 Our mission in lands planning is to
16 balance shoreline development, recreation uses,
17 sensitive and natural resource management, and all of
18 the other uses across the Valley in a way that
19 maintains a good quality of life.

20 Lands planning, like I said, is a

21 little different from the other resource programs
22 within the NRP. The land policy directs TVA. Oops.
23 Sorry. Land policy directs TVA to maintain a regular
24 cycle of updating land plans. Currently we do have a
25 plan, we do have a regular cycle, but it's
1 complicated by the significant time and resource 174
2 restrictions that we have, staffing, budgeting.

3 The goal of the NRP is to streamline
4 TVA's lands planning process and to update lands
5 plans in a more efficient manner. The NRP selects
6 the comprehensive Valley-wide lands management plan
7 to simplify the assessment process, to determine a
8 consistent methodology, and to increase flexibility
9 for future planning efforts.

10 And one thing to note here is this
11 comprehensive Valley-wide plan, it helps satisfy one
12 of the Board's request to make the lands planning
13 approval process more flexible and more efficient.

14 Can I get some help on the second
15 slide? I don't know the number.

16 MR. RANDY MCADAMS: I think it's page
17 34.

18 MRS. CHELLYE CAMPBELL: Yes. Right
19 there. The comprehensive Valley-wide land plan, it
20 balances competing land uses. We utilize the
21 single-use parcel allocation methodology and we have
22 established target ranges for the zone allocations

23 for each of the areas.

24 This range enables TVA and the public
25 to consider allocations across the reservoir system
1 and to determine if too much or too little emphasis 175
2 is given in any one particular resource area.

3 Going forward this approach towards
4 lands planning will include a validation and a
5 revision of this baseline range, collaboration with
6 other local, state, and federal agencies. We will be
7 conducting capability and suitability studies and
8 analysis, and we will be gathering information for
9 future needs. Those -- some of those needs come from
10 public comments and other agency comments.

11 TVA will develop and issue a draft and
12 a final land management plan, and that plan is going
13 to include a planning process overview, a detailed
14 parcel description, and detailed maps would be
15 available for each one of those.

16 It also will include consideration of
17 proposals for alternative uses. That kind of goes
18 back to the public comments, and local, state,
19 federal agency comments, as well as needs that TVA
20 may have.

21 In closing, I would just like to say
22 that implementing the comprehensive Valley-wide land
23 plan represents the first time TVA will have a
24 Valley-wide policy for distribution of its land

25 resources.

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1 That's pretty much all I have today.

2 Is there any questions?

3 FACILITATOR WILSON TAYLOR: Paul.

4 MR. PAUL SLOAN: Just on page 3 the
5 range of these zones, they are pretty tight until you
6 get down to development -- developed recreation, 6 to
7 25 percent, you have got like a -- more than four
8 times and then there's an 18 percent differential
9 between natural resource and conservation lands from
10 50 percent to 68 percent, I was just curious why the
11 large -- why so large a range in developed -- in
12 developed recreation and is that differential
13 coming -- is this a dynamic between natural resource
14 conservation lands and developed recreation lands and
15 is it that we haven't settled on which of those
16 categories these lands need are in or to be in, and
17 if so, I'm jumping ahead, if the answer is yes, then
18 I would recommend we get that down closer so that we
19 have a front-end mapping of this as the baseline as
20 we go forward.

21 MRS. CHELLYE CAMPBELL: Those ranges
22 were developed -- well, the way we came up with those
23 numbers, some of the plans that TVA has, some of the
24 land plans, are already Board approved. Most of
25 those -- well, all of those that are Board approved

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1 have single-use parcel allocations. So they are

2 already in these seven zones that we have.

3 The other plans that aren't in the
4 seven zone categories or they don't have a plan, what
5 we did is called rapid land assessment whereby we
6 went -- the office staff was gathered and we went
7 through and kind of did a quick and dirty, you know,
8 trying to allocate what we had based on those seven
9 zone definitions. That method has not been Board
10 approved which is the reason why we have the ranges.

11 MR. PAUL SLOAN: So there's a chunk of
12 land that could go either way?

13 MRS. CHELLYE CAMPBELL: Well, we're
14 trying to compare apples to apples, and what we had
15 was apples and oranges and bananas and everything
16 else.

17 DFO ANDA RAY: Explain how you're
18 trying to bring them all up to apples and apples so
19 that Paul's issue could be addressed -- that Paul's
20 issue could be addressed. So you're not trying to
21 keep them apples, oranges, and bananas.

22 MRS. CHELLYE CAMPBELL: No, we're not.
23 We're trying to convert -- all right. The plans that
24 we have already, single-use parcel allocation plans,
25 and then you have another set that's a multiple tract
1 allocation, which is an old system that we used, what
2 we would like to do is convert those into the
3 single-use allocation.

4 And then we have some that have never
5 been planned or they are under an old forecast
6 system, which is even an older system that we used to
7 use, and the plan is to bring all of those up into
8 the single-use parcel allocation.

9 DFO ANDA RAY: And when that happens
10 those percentages will be tighter?

11 MRS. CHELLYE CAMPBELL: Yes, ma'am.

12 DFO ANDA RAY: But right now she's
13 just guessing at some of them. Okay. Thanks.

14 MR. RON FUGATT: I had the same
15 question, and that answers my question, because
16 there's only so much land and if you grow this one
17 you have got to take it away from another one. That
18 that was Paul's concern and mine, too. Thanks.

19 FACILITATOR WILSON TAYLOR: Other
20 questions for Chellye?

21 Thanks, Chellye.

22 MRS. CHELLYE CAMPBELL: Thank you. I
23 appreciate it.

24 MR. RANDY MCADAMS: The last resource
25 area we're going to walk through is water resources. 179

1 Tiffany, if I can call you back up front if you're
2 feeling up to it. I know you're not feeling well.
3 Tiffany spoke to us earlier about public outreach.
4 Another one of the hats she wears is water resources.

5 So, Tiffany, the floor is yours.

6 MS. TIFFANY FOSTER: As Randy
7 mentioned, I'm going to go over the water resource
8 management programs today as well.

9 With the water resource management
10 programs we had our objectives, and our primary goals
11 were to reduce water pollution in the streams and
12 reservoirs, to maintain a good working knowledge of
13 the stream conditions, and to promote efforts to
14 improve and protect the resources, the water
15 resources. All of this is done with partners and
16 working in collaboration with others.

17 And how we're going to meet those
18 objectives is we're going to take a really good
19 comprehensive approach to identify the water quality
20 stressors and pollutants and try to decide which ones
21 we can address and which ones maybe are not suited
22 for our programs. We're going to identify
23 opportunities to work with folks to improve water
24 resources and do some efforts to work on the ground.

25 As I said earlier, we're also going to
1 make sure that we have plenty collaborative and 180
2 interaction with other agencies, non-profits, and
3 other communities to get the work done.

4 One thing we heard from you guys last
5 time was a lot of really great advice. It's been
6 passed on, I guess, to all of us, the resource
7 representatives, about some of the areas that you-all

8 were wanting to work on.

9 Within water some of the things we
10 heard was you really wanted TVA to be a leader in
11 water resources, that the public expects us to and we
12 should step up and do some of those programs. You
13 also wanted us to look at what TVA was responsible
14 for and address those problems and talk about how we
15 were going to take care of that.

16 You also thought it was important that
17 we work on partnerships, and we're probably going to
18 beat you guys over the head with partnerships,
19 partnership, but we got it and we agree with you.
20 Partnerships and education are key for any of this to
21 happen. So we are in full agreement and full
22 support.

23 And it was also mentioned that we need
24 to take a holistic watershed approach. Instead of
25 working on small individual projects kind of here and
1 there, we need to step back, working with partners,¹⁸¹
2 working with other folks that have great ideas and
3 great knowledge and really find out where should we
4 focus our resources and how we can work together. So
5 we have tried to take the advice that you've given us
6 and come up with our program we're going to go over
7 today.

8 So currently for our program we spend
9 about 1 to \$2 million on our water resource programs.

10 Within that cost is our stream and tailwater
11 monitoring, some of the partnership work that we do,
12 and our targeted watershed initiative work.

13 As we move forward what we're
14 recommending doing under the blended level of
15 programs, we're going to increase the spending if we
16 go this route to between 5 and \$6 million. In this
17 proposed program mix, we have a greater focus on
18 partnerships and education and also taking care of
19 reservoirs.

20 With this new proposed mix it allows
21 TVA to use their expertise and their connections with
22 other partners to really support more collaborative
23 projects and to be more flexible in where we work and
24 be more adaptive to the gaps we have seen across the
25 Valley where TVA is needed.

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1 I guess before we go on, I am going to
2 go ahead and ask you guys to turn to page 99 if you
3 have your NRP's, your natural resource plans, and
4 this might make it a little more easier if we can
5 look at kind of the programs that are within
6 custodial and the programs that I am going to be
7 focusing on just so I don't confuse anything.

8 As you see, we do have -- these are
9 all of our water resource programs. They are on
10 three pages. And the custodial, like you guys have
11 heard previously, are the programs that TVA is

12 required to do either because of regulations,
13 Executive Orders or policies. Those programs we are
14 going to do or continue doing, and then what I am
15 going to highlight today is the five programs within
16 the blended column.

17 Were you going to say something? I'm
18 sorry. I thought you were trying to flag me down. I
19 apologize.

20 So within the blended column is what I
21 am going to focus on today, and that is what we
22 consider our activities that go above and beyond just
23 the custodial level.

24 Some of the programs that I am going
25 to discuss that are within blended, we do have them
1 also in the custodial, which as we do the blended 183
2 option we're suggesting we increase our level of
3 effort. So that's why they are included in both
4 plans.

5 The first program that I am going to
6 go over is our reservoir shoreline stabilization
7 project. First I want to make sure everybody
8 understands, this effort as it sits in the water
9 resource program is an addition to the stabilization
10 that is done through our cultural resource
11 management. So this is how we have it listed.

12 We do not have the stabilization
13 listed as a custodial program because it is listed as

14 custodial under our cultural resources. So we -- TVA
15 will still be doing reservoir stabilization. It's
16 just the resource is we take care of the cultural
17 first, and our focus here is kind of what we can do
18 above and beyond that.

19 This focus is for addressing areas
20 that we need for water quality impacts and to help
21 reduce some of the pollution. So I just wanted --
22 that is a little confusing. I just wanted to make
23 sure everybody was comfortable with that.

24 So why we care about this in water
25 resources is, as most of you guys know, we have, you
1 know, a lot of beautiful shoreline. We have 11,000¹⁸⁴
2 miles that TVA helps manage, and people love to get
3 out there and play and have a great time. When they
4 do sometimes the boats cause a little wave action and
5 sometimes other things that we do cause a little wave
6 action and we get some erosion going on the shores.
7 So that introduces more sediment into the reservoirs
8 and also allows further pollution maybe to wash off
9 the lawns and the areas into the area. So we want to
10 try to help stop that. So we can do some of the
11 basic shoreline stabilization to lessen the erosion
12 that we get.

13 In our blended option we're proposing
14 to do approximately 3 miles of reservoir shoreline
15 stabilization. So that's above and beyond what the

16 cultural program would take care of.

17 The next program is our water resource
18 outreach campaign, and this is basically just raising
19 awareness and kind of promoting actions that people
20 can take to improve and protect water resources.
21 This, as I mentioned previously with the public
22 engagement, you know, we will be working with
23 communities and school kids and pretty much anyone,
24 you know, that we can engage because I think it's
25 important that we all participate, but this is really
1 focused on water resources in particular and trying¹⁸⁵
2 to make the linkage on, you know, how we use water
3 and how we need water and what we can all do to take
4 care of it and make sure there's enough to do what we
5 want to do.

6 So some of the options we could use,
7 we have got a website on TVA that we always are
8 constantly revising. That's a great platform to put
9 up information for folks for them to find activities
10 to do where they could help reduce pollution or
11 conserve water.

12 We also go in classroom settings and
13 we could work with either school kids or older kids
14 or high school or college. We also like to do a lot
15 of hands-on demonstrations. As I'm sure you guys are
16 aware, it's great to be able to get out and actually
17 see some of the programs in action. I think it's

18 very memorable that people can get out and get their
19 hands dirty and touch and feel and kind of see what
20 we're talking about. So that's something we would
21 try to promote is doing this.

22 Again, as you guys had mentioned to us
23 earlier, education is key to making sure this whole
24 plan come together and to make sure we can protect
25 our resources.

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1 So the next program is the stream and
2 tailwater monitoring, and this is a program that TVA
3 is currently doing. It will be in the custodial.
4 It's a program that we will continue to do in the
5 blended option as well.

6 Our stream and tailwater monitoring,
7 for those of you who are not familiar, it's TVA's
8 aquatic biologists going out into our streams and the
9 tailwaters below our dams to evaluate conditions of
10 the water based on the biology, on the fish that they
11 see and on the benthic organisms, the aquatic
12 insects.

13 We use this data to maintain a really
14 good knowledge of what's going on in the streams,
15 also to target the work, like where we -- where the
16 waters might be polluted and where we could go and
17 help, also to track success.

18 One thing that was mentioned I think
19 at the last meeting we had discussing this was the

20 state agencies already do a lot of monitoring, kind
21 of, you know, why is TVA doing monitoring, and that's
22 a great question. One thing, I think, that TVA does
23 a really great job at is we coordinate our efforts
24 and the information that we collect we share with the
25 states and they collect -- they share their data with
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1 us.

2 So the data we collect for stream and
3 tailwater monitoring not only supports TVA's internal
4 programs that we need to make sure the reservoirs and
5 the streams are operating the way they should, but it
6 also kind of helps supply supplemental data to the
7 states as well. We really work hard with them to
8 make sure we don't have a lot of duplication of
9 efforts.

10 Okay. These are the last two programs
11 we're going to go over today. The first one is the
12 strategic partnership and planning, and basically
13 that's just building really strong relationships. As
14 we mentioned earlier, we do already work with a lot
15 of partners. Some of the folks in this room we have
16 been able to work on partnership projects and it's
17 been great, and we just want to kind of step that up
18 a notch. So we would like to be able to work
19 collaboratively with more folks and maybe at a larger
20 regional level.

21 In the blended option kind of versus

22 what we're currently doing, we see a good potential
23 in maybe working on a state-wide level developing
24 strategic planning. We know everyone has kind of
25 resources that are maybe limited or staff that are
1 limited and it would really make a lot of sense for ¹⁸⁸
2 us to work together with other agencies that have
3 great resources and great ideas and determine, hey,
4 maybe we all should work on this area or maybe we
5 should focus on this area and have a really good
6 strong strategic plan that makes sense for all of us.
7 Again, that was something you guys suggested was
8 partnerships, defining roles, making sure we kind of
9 stay on track.

10 And the last program I am going to go
11 over is the targeted reservoir initiative program,
12 and this is a program that we are not currently
13 implementing but it's something we're proposing to
14 implement under the blended program.

15 The reservoir initiative would
16 basically give TVA a strategic approach to coordinate
17 with other agencies, to identify reservoirs that we
18 could work on, identify the pollution and the
19 pollution sources, and develop a potential
20 restoration plan, and then start seeing what we can
21 do to put some projects on the ground and doing some
22 efforts that would help reduce the pollution within
23 that particular reservoir.

24 I think this was mentioned before, TVA
25 does not have like water quality regulatory
1 authority, but we can be a really good partner in 189
2 looking at reservoirs. We can help identify with our
3 monitoring and with other monitoring.

4 And because we -- there's not
5 currently a program available to work like on a large
6 reservoir scale, we thought this might be a good
7 chance where TVA could be a leader in water
8 resources. We know the reservoirs are valued greatly
9 for recreational purposes, and by having nice, clean
10 lakes that people can come and enjoy that increases
11 our community marketability and it helps the economic
12 development.

13 So I think it makes sense for us to
14 try be able to help take care of the reservoirs, and
15 this is something we see us working in conjunction
16 with municipalities, obviously the states, TWRA, any
17 other agency that would work with us, and we would
18 just be developing strategic planning on how this
19 would go.

20 I think that is the end of my program.

21 FACILITATOR WILSON TAYLOR: Paul.

22 MR. PAUL SLOAN: All the cards went
23 up. Thank you, Tiffany. Water is kind of special.

24 MS. TIFFANY FOSTER: I know. I agree.

25 MR. PAUL SLOAN: Just a couple of

1 questions. The -- did I understand you that 1 to 2
2 million is the current funding for the water
3 resource?

4 MS. TIFFANY FOSTER: Uh-huh.

5 MR. PAUL SLOAN: Okay. And 5 to 6
6 would be the blended?

7 MS. TIFFANY FOSTER: Yes.

8 MR. PAUL SLOAN: What would be the
9 investment in water resources of the Cadillac, of the
10 whatever --

11 MS. TIFFANY FOSTER: I thought you
12 might ask that and I brought my cheat sheet up here
13 with me. Sorry, I have to go back to the spreadsheet
14 to keep it all straight.

15 So for our Cadillac, if I read this
16 correctly, it would be \$10 million and some change,
17 and the enhanced would be just over \$4 million, and
18 custodial would be \$1,600,000 and some change.

19 MR. PAUL SLOAN: Okay. So the
20 flagship is 10. Just a short observation; and that
21 is, there's so many ways to think about water and
22 there's -- to some extent TVA could think about it as
23 the main stem that they are responsible for in so
24 many domains, but then the other is just water
25 quality for which TVA is not responsible for the

1 quality of the Tennessee, I mean, no more so than a
2 major trib that's going into that river. You have

3 the same responsibility unless it's DO and the tail
4 -- unless it's dissolved oxygen and the tailwaters of
5 the construction that you put up or that sort of --
6 there you have -- that to me seems to be an area that
7 custodial, whatever it cost, you need to come in to
8 -- you need to bring those waters, those parameters
9 into -- into water quality -- in to meet water
10 quality standards, and I don't know where -- I
11 should, but I don't know where TVA is in all of its
12 dams and tailwaters on dissolved oxygen.

13 I know TVA has made some very
14 impressive investments and steps towards addressing
15 that issue and -- but my point is that you're not
16 responsible for the water column in the river, except
17 for your structures any more so than you are for the
18 tribs, and if you look for the -- if you look in the
19 watershed, then the question is, have you mapped the
20 303(d) listed streams; that is, have you mapped
21 all -- all waters in your system that do not meet
22 water quality standards?

23 And if you haven't, I think that -- I
24 mean, it has been done. So to take that map and then
25 through partnerships and otherwise to begin to
1 address where should we invest our money, whatever 192
2 money we're going to put into it, to raise the water
3 quality of the watershed as a whole, and I would
4 submit to you that a million dollars on restoring

5 shoreline in a lake may or may not -- you know, may
6 or may not have the benefit return of taking -- of
7 eliminating some straight pipes if there were in some
8 trib or some other pollutant source.

9 So it seems to me to be that you have
10 an opportunity to be really smarter, all of us do, in
11 collaborating with the agencies and coming together
12 to look at that as a strategy.

13 And then the third thing that I would
14 just say is I -- in my estimation if you go basically
15 to the health of the water, to the health of the
16 natural resources and the natural resources that are
17 within your sphere of influence, all the streams and
18 waters that are within your jurisdiction are within
19 that sphere, and to get the health of those, to get
20 those off of the 303(d) list is a custodial
21 responsibility as opposed -- as opposed to a flagship
22 responsible.

23 Now, that's a -- some would not agree
24 with that, but I think it is because -- and let me --
25 to support that, you're a federal agency. The Clean
1 Water Act of '72 said you/we would have all our
2 waters fully usable by 1983. So the Clean Water Act
3 we could all go swim and do -- you know, do --
4 have -- do what we -- and by 1985 there would be no
5 pollutants out -- in the pipes anywhere. There would
6 be no need for MPDS permits because there wouldn't be

7 any.

8 So -- and thirdly, in the State of
9 Tennessee, our own statute says that every -- you
10 know, we hold all of the waters in trust, but
11 everyone has a legislative right to unpolluted waters
12 and we failed in delivering that, you know. And
13 certainly our agency -- I mean, the state, everyone,
14 we, as the people, have failed in that.

15 So I think that TVA has a tremendous
16 opportunity there, and I just put that idea out
17 because I think we will return to it when we talk
18 about is it worth 1 percent of TVA's gross revenues
19 to take extra, I mean, is it -- so it -- I mean, if
20 we can set priorities, I think that's a fair
21 perspective.

22 FACILITATOR WILSON TAYLOR: All right.
23 Renee.

24 MRS. RENEE HOYOS: Yeah. I'm an
25 advocate of the Cadillac version of -- actually, the
1 whole plan, but at any rate if I can't get the whole¹⁹⁴
2 plan was -- what I found interesting in the -- in the
3 water section was that targeted watershed initiative
4 is referenced in two other program types.

5 I think I am a little concerned about
6 the targeted reservoir initiative getting funding and
7 not the targeted watershed initiative. I just -- and
8 this could be a semantics issue. Since the goals of

9 the targeted reservoir initiative are to reduce
10 nutrients and sediments to the TVA reservoirs, you
11 can't really do that at the level of the reservoir.
12 You have really got to start doing that at the level
13 of the watershed.

14 So my concern would be that that needs
15 to be the -- in the blended section, you know, in the
16 event that we don't get the Cadillac version of the
17 plan because it's referenced there and the stream and
18 tailwater monitoring program also references it. So
19 you could actually put those two programs -- elements
20 of those two programs underneath the targeted
21 watershed initiative.

22 I'm sorry if I am rearranging all of
23 your work.

24 DFO ANDA RAY: No. That's actually a
25 really good point.

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1 FACILITATOR WILSON TAYLOR: Thank you.
2 Ron.

3 MR. RON FUGATT: First of all, I have
4 got a question. Over on page 67 in the targeted
5 watershed initiative program it says you're going to
6 improve the blank HU every blank year, I don't know
7 what an HU is.

8 MS. TIFFANY FOSTER: It's a hydrologic
9 unit.

10 MR. RON FUGATT: What's that?

11 MS. TIFFANY FOSTER: A hydrologic
12 unit. Basically, a watershed. It's how USGS
13 defined --

14 MR. RON FUGATT: It's not defined in
15 this book anywhere. I never did see it in here. I
16 looked for it and I didn't find it.

17 DFO ANDA RAY: You're right.

18 MR. RON FUGATT: It may be, but I
19 didn't find it.

20 MS. TIFFANY FOSTER: You're probably
21 right. We probably missed it. Sorry.

22 MR. MARK HOMMICH: The last page.

23 MR. RANDY MCADAMS: Page 103 has it.

24 MR. RON FUGATT: Is it in the back?

25 I'm sorry.

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1 The other thing is, how are you going
2 to measure sediment reduction and phosphorus
3 reduction?

4 MS. TIFFANY FOSTER: In the reservoirs
5 we are hoping to do it by measuring -- well, this is
6 still -- we haven't implemented this program. We're
7 still obviously putting all the legs under it if we
8 decide to move forward, but our initial thoughts were
9 to identify embayments or major tribs coming into the
10 individual reservoirs and have baseline monitoring of
11 the phosphorous and the sediment that was coming in
12 these large tributaries to the reservoir, monitoring

13 it there.

14 Then also you can do some monitoring,
15 you know, within the reservoir, but you can look more
16 kind of at indicator species or things that would
17 maybe hint at are the nutrients too high and the
18 sediment too high, and that would go back to more
19 looking at biological issues.

20 Originally we had thought the best way
21 to see what the -- you know, because there's not a
22 criteria, not to say you need to have your phosphorus
23 level at X for this reservoir, we won't have the -- a
24 numerical standard yet for that in any reservoir. So
25 hopefully we will be looking at the big streams
1 coming in. 197

2 MR. RON FUGATT: And in keeping with
3 that, if you reduce the sediment in the river and
4 maybe the phosphorus, I am more familiar with the
5 sediment than I am the phosphorus, then all the
6 treatment plants along that river are going to save
7 money in their treatment process.

8 Have you identified that outtake and
9 how much of that and how much savings there would be
10 for every amount of sediment you take out of the
11 river?

12 MS. TIFFANY FOSTER: We have not done
13 that. Like I said, that would be part of -- as we
14 were deciding -- if we decide to adopt this program

15 as something we would move forward with, considering
16 who has intakes and where the waste water treatment
17 plants would be a deciding factor on which reservoir
18 we targeted.

19 MR. RON FUGATT: Yeah. Well, my point
20 though is that if we can spend some million dollars
21 here to keep the sediment in the river, it may save
22 multiples of that down the river for treating the
23 water, that's the point I was making.

24 MS. TIFFANY FOSTER: No. And that's a
25 great point. Thank you.

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1 MR. RON FUGATT: Okay.

2 FACILITATOR WILSON TAYLOR: John.

3 MR. JOHN MATNEY: Yes. Earlier we
4 talked about, you know, I understand the importance
5 of taking the water levels up and down in the lakes,
6 but has TVA ever done a study about the exposed area,
7 you know, the exposed unvegetated areas created for
8 four to six months of the year to measure the amount
9 of sedimentation that it's creating into the lakes?

10 MS. TIFFANY FOSTER: Not that I am
11 aware of. I am kind of looking to my colleagues
12 maybe who have been here longer. I don't believe we
13 have done that.

14 Are you talking about like within the
15 reservoir itself?

16 MR. D. J. CONRAD: The drawdown area.

17 MS. TIFFANY FOSTER: As far as I know,
18 no, we have not documented or done a research project
19 on that.

20 MR. JOHN MATNEY: So I would suggest
21 that when you're looking at the tributaries that you
22 also look at the existing programs, you know, to see
23 if there's a study or, you know, some way to analyze
24 that because there's probably a tremendous amount of
25 sedimentation that's being created within the lake
1 itself. 199

2 MS. TIFFANY FOSTER: That's a good
3 idea.

4 FACILITATOR WILSON TAYLOR: Thanks,
5 John.

6 Mark.

7 MR. MARK IVERSON: I have just a
8 couple of clarifying questions more than anything.
9 For the reservoir shoreline stabilization, we have
10 kind of identified so many miles under the enhanced
11 and flagship programs.

12 What -- just out of curiosity, what's
13 the current inventory of damaged or exposed
14 shorelines that you're looking at?

15 MS. TIFFANY FOSTER: That terrified
16 me, I thought I am going to get that question, and I
17 don't know it.

18 I know that we have historically gone

19 over and done reservoir inventory. We have kind of
20 created a map on determining these are highly
21 erodable, these are moderate, these are in good
22 shape.

23 To be honest, and you guys are welcome
24 to correct me, to my knowledge we have not -- we
25 don't have a very recent or updated plan of that. 200

1 That is something -- to kind of cross back into
2 another program area, with the land condition
3 assessment, when they are looking at TVA parcels, a
4 lot of those are along the shoreline. They also
5 assess the shoreline condition while they are doing
6 that process, and that's something that Bo spoke to
7 previously about them doing 26,000 acres.

8 So as we go through the land condition
9 assessment we are updating that inventory, and we
10 will use that definitely to look and see where our
11 high prioritization areas are as well.

12 MR. MARK IVERSON: So we don't really
13 have a feel -- I guess kind of a corollary question
14 to that was if -- is there more added each year that
15 moves maybe from a moderate erosion to now more
16 severely damaged over time and to the extent -- I
17 just don't know whether the three or eight miles kind
18 of keeps up with that erosion pattern or it needs to
19 be more aggressive, I guess that's really where I'm
20 kind of getting at.

21 MS. TIFFANY FOSTER: When we
22 originally were looking at miles and how to determine
23 how we came up with kind of three and eight, I'm
24 sorry, it probably seems very arbitrary, but I guess
25 our idea from that is we did look at the historical
1 data that TVA had collected out of, you know, 11,000²⁰¹
2 miles, how many miles have we assessed and do we have
3 information about and what percentage of those fall
4 into those categories.

5 So we took the three and said, okay,
6 if we can address the 25 percent of the most severely
7 eroding areas, not counting the archeological and
8 cultural resources, they are going to take care of
9 those areas. These are severely eroding and having a
10 water quality impact, we kind of made some there.
11 But to be honest, that was data that was collected
12 awhile back. It's not current data.

13 MR. MARK IVERSON: Just one other
14 question. On the bottom of that table under water
15 resources improvements, the suspended sediments and
16 phosphorous streams that the -- the items under the
17 custodial, enhanced, and flagship, they are kind of
18 confusing to me.

19 For the suspended sediments, you know,
20 it's 720, then 1,080, then 360, and 360 for flagship
21 seems kind of just the opposite of what I would
22 expect. Maybe I am not interpreting that right.

23 MS. TIFFANY FOSTER: You know, you're
24 fine. It's kind of something that was brought up
25 previously and we were going to take care of it. I 202
1 apologize that we didn't take care of it in this
2 area.

3 Some of what we were talking about
4 between custodial and enhanced and the flagship is
5 that we would be putting more emphasis on some
6 programs versus others, and this was brought up in
7 the previous Regional Resource Council meeting but
8 that seemed inconsistent with how we managed the rest
9 of our programs and how we tracked what we were doing
10 with the three resource areas.

11 So it's not your misunderstanding.
12 It's our problem that we didn't kind of clarify or
13 correct that.

14 FACILITATOR WILSON TAYLOR: Okay.
15 Tom.

16 CHAIR MR. TOM LITTLEPAGE: Yeah. This
17 is obviously a program area that's near and dear to
18 my heart. I guess I'm following along the lines of
19 what Paul and Renee both have brought up.

20 I'm trying to grasp the strategic
21 partnership planning. You know, the concept in this
22 water resource area is that TVA is either the
23 benefactor or the victim based on what happens in the
24 headwaters and to some degree financially responsible

25 for things completely out of their control.

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1 The idea of using the strategic
2 partnership concept to work to better understand,
3 encourage, cajole better practices in both
4 point-source and non-point source management for
5 areas that are beyond the bounds of TVA's enforcement
6 and trying to work with state and local agencies
7 because, you know, this holistic watershed management
8 is the way I think we're all headed.

9 I mean, I think it's going to be the
10 only way you're going to manage given the congestion
11 that's going to continue to occur and increase in the
12 southeast and looking at how do we tell -- how do we
13 develop a flagship component of that, that outreach,
14 and try to measure the benefits associated with that,
15 I'm struggling with that.

16 But it appears to me that issue is as
17 big or bigger than any other sub categories in water
18 resources because it affects both quantity and
19 quality and land use and trying to encourage
20 practices that ultimately provide a direct economic
21 and environmental benefit to the main stem. I don't
22 know how you approach that, but I'm not sure that
23 captures the importance of this in the way it's
24 depicted in the current structure, I guess, would be
25 my point.

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1 FACILITATOR WILSON TAYLOR: Thanks,

2 Tom.

3 Anda.

4 DFO ANDA RAY: Yeah. Can I -- to make
5 sure I understand, if we turn to page 100 to address
6 Tom's question, and help me out, Tiffany, not
7 withstanding the clarification that I think you are
8 asking for on page 66, which describes the flagship
9 partnership, but if I am reading page 100 correctly
10 and I look at partnerships and it says the blended
11 option, it's saying you're recommending a flagship
12 approach in this area for partnerships, is that
13 right?

14 MS. TIFFANY FOSTER: Yes.

15 DFO ANDA RAY: Okay.

16 CHAIR MR. TOM LITTLEPAGE: And my
17 point would be, what would -- what would be the
18 advanced option, I'm sorry, the -- yeah, under the
19 flagship advanced?

20 DFO ANDA RAY: Okay. That's the
21 clarification?

22 CHAIR MR. TOM LITTLEPAGE: Yes.

23 DFO ANDA RAY: You're looking at three
24 different ways -- three different plans that we could
25 move forward with, and the plan is called custodial
1 or the plan is called blended or the plan is called
2 advanced.

3 So in this case it's saying that in

4 the blended option, which is what we would -- if we
5 had to pick today we would say we are recommending to
6 you that this is the blend of programs we would do it
7 and it would say do the flagship under this blended
8 option.

9 Under the advanced option, I don't
10 understand how we have enhanced as a checkmark there.
11 That's actually an error.

12 MR. TOM LITTLEPAGE: I was struggling
13 with that, too.

14 DFO ANDA RAY: That's actually an
15 error.

16 MR. RANDY MCADAMS: That may need
17 clarification on that.

18 DFO ANDA RAY: But it does -- so
19 that's what you're asking. Under the advanced
20 option, it has to be flagship because you can't get
21 any higher.

22 FACILITATOR WILSON TAYLOR: John.

23 MR. JOHN MATNEY: I have already asked
24 my question.

25 FACILITATOR WILSON TAYLOR: All right.
1 Okay. That's the final question.

2 Randy, any closing thoughts on this
3 whole issue around the mixed discussion? Do you have
4 any final thoughts on that?

5 MR. RANDY MCADAMS: Sure. Let me

6 maybe make a few other points and then I will come
7 back to that, if I can, Wilson.

8 FACILITATOR WILSON TAYLOR: Okay.

9 MR. RANDY MCADAMS: Again, thank you
10 for everybody's kind attention and input. We have
11 now walked through all five resource areas,
12 biological, cultural, water, lands planning, and
13 recreation, as well as a discussion of public
14 outreach.

15 So what I would like to do now is kind
16 of start to draw to a close by ending where we began
17 and talk about the importance of the external
18 stakeholder input of both this body as well as the
19 public and kind of defining what TVA is going to do
20 in this 20-year plan. So I'd like to talk about two
21 things.

22 If we could advance the slides here a
23 little bit further. I'd first come back and remind
24 you of the guiding principles set forth by this body.

25 FACILITATOR WILSON TAYLOR: Randy, I
1 meant on just what they presented, not on the guiding
2 principles. We're going to do something else. I
3 just wanted to --

4 DFO ANDA RAY: We didn't want you to
5 move forward yet.

6 FACILITATOR WILSON TAYLOR: Just a
7 final on what they presented. Anything other than

8 what they presented to add here, any clarifications?

9 MR. RANDY MCADAMS: I'm not sure I
10 exactly understand the question, but I -- let me
11 propose this.

12 FACILITATOR WILSON TAYLOR: It will be
13 a yes or a no actually. You would say, yes, I want
14 to clarify one point or, no, let's take a break,
15 that's what I am trying to get at.

16 MR. RANDY MCADAMS: Ouch. Ouch.

17 DFO ANDA RAY: We have got to learn
18 sign language.

19 MR. MITCH JONES: Randy, I'm going to
20 call my ombudsman when I get home.

21 MR. RANDY MCADAMS: I've been a
22 consultant for 28 years. It's very difficult for me
23 to summarize anything in one word.

24 I suppose the answer would be no. I
25 think the presentations themselves were pretty
1 explanatory. I think once we understood the 208
2 construct of the pages, you know, of 95 through 102
3 everybody could follow along with what's being
4 proposed in the blended options pretty clearly.

5 Again, I think we got some great
6 input, but hopefully it was clear enough to the group
7 that it's pretty clear what's being proposed in the
8 blended options.

9 So with that, if I may, I will --

10 FACILITATOR WILSON TAYLOR: Thank you.

11 MR. RANDY MCADAMS: -- kind of draw it
12 to a close by talking about the -- again,
13 re-emphasize the importance of stakeholder input
14 here. Really there's two bodies that I want to focus
15 on to the group as a stakeholder. One is a --

16 DFO ANDA RAY: Randy. we really want
17 to stop for a second.

18 FACILITATOR WILSON TAYLOR: We're
19 going to stop here and take a break.

20 MR. RANDY MCADAMS: Oh, I'm sorry.

21 FACILITATOR WILSON TAYLOR: Here's
22 what I would like to do, I would like to go ahead and
23 take about a seven-minute break and give everybody a
24 chance to kind of -- you know, a seven-minute break
25 and then we will come back at 2:30.

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1 MR. RANDY MCADAMS: To make it clear,
2 I now understand the request. Thank you.

3 (Brief recess.)

4 CHAIR MR. TOM LITTLEPAGE: Okay.
5 We're going to go ahead and begin the process again.
6 Before we start back with Randy, because we don't
7 want to unleash him since we know now he's not
8 capable of just a few words, we're going to let Kelly
9 come up.

10 Most of you should have seen or all of
11 you should have seen there was a chart placed at your

12 desk that has sort of a summarization. So Kelly is
13 going to talk a little bit about that.

14 MS. KELLY LOVE: This was actually
15 included in the Board's package where the Board
16 approved the initial set of nominees to the Council
17 back in -- I think it was this past November. We
18 printed this out and copied it in response to some
19 concerns or issues that Paul and Avis raised this
20 morning when we were going around and sort of, you
21 know, I'm leaving TDEC or I'm leaving the Corps and
22 I'm not quite sure.

23 So this is what we told the Board that
24 each of your interests were and the interests that
25 you would be representing on the Council. And you
1 can see, because this was last November, there are 210
2 three that are reflected as pending on here, and
3 those have actually been filled now.

4 I don't know that we will necessarily
5 go back and update this chart because part of its
6 purpose is to show that all of the nominees to the
7 Council in total reflect a balanced membership
8 required by the Federal Advisory Committee Act. So
9 it was to show that we have got this broad range of
10 interests and a little bit of somebody from
11 everywhere. So that was its purpose.

12 This is really just for your
13 information because I know there was some questions

14 this morning.

15 Are there any questions about it?

16 DFO ANDA RAY: If they want a change,
17 they can talk to you.

18 MS. KELLY LOVE: That's right. If you
19 think something on here is incorrect it -- because I
20 think Anda's staff sort of put this together. So if
21 there's something you're uncomfortable with on here,
22 certainly let us know.

23 MR. PAUL SLOAN: When I see all the
24 constituents that I represent, it's -- well, you
25 know, what is our responsibility to get input from
1 our constituents that we represent and what -- and 211
2 what -- and I suppose part of that is up to us to do
3 that. I appreciate that.

4 But are there any assist that you have
5 the capacity or time to support in doing that? I
6 mean, if -- well, different -- if I wanted to try to
7 do some sort of outreach to those constituents and
8 say, you don't realize it, but I represent you and I
9 would like to get some conversation to report to you
10 and have your --

11 MRS. JEAN ELMORE: If they have a real
12 question they will find you or they did me.

13 MR. PAUL SLOAN: Interesting.
14 Interesting.

15 MRS. JEAN ELMORE: Our names are

16 listed on, I guess, on the website or what-have-you.

17 MS. KELLY LOVE: That's correct, on
18 TVA's external website.

19 MRS. JEAN ELMORE: So they just looked
20 in the area that they were in and I received a packet
21 that I passed along.

22 MR. PAUL SLOAN: That's interesting.
23 Well, that's --

24 MRS. JEAN ELMORE: So if they have,
25 you know, something that's really concerning to them
1 that they want an answer for it, they will find you. 212

2 MS. KELLY LOVE: Let's go back to your
3 question before, I think it really is up to each
4 individual member to determine how much outreach you
5 each want to do to that constituency.

6 I mean, the ones we have identified
7 here are ones that we think that you have worked in
8 before and they probably already have a good sense of
9 the pulse of what would be important to that
10 constituency.

11 So probably just by your interest and
12 experiences and your job history these are probably
13 things that we think that you might already have a
14 good sense, but to the extent that you also want to
15 go out and seek additional input that's completely
16 acceptable. I don't know that we have had really any
17 coordinated efforts before, but if you have ideas for

18 that I think we would be open to hearing those.

19 DFO ANDA RAY: I think you might want
20 to -- we can take an action for the new members is
21 that if you will go back and look at the FICA and see
22 that they are not held accountable to the bodies that
23 they are representing, in other words, do they have
24 to go back and say, I officially represent this
25 group, and they don't, and I think that's the comfort
1 that we need to provide them is that it -- that Renee²¹³
2 doesn't have to go back and check with her Board of
3 Directors to say that I am representing this company,
4 I am representing it because of my personal
5 experience and I'm giving you advice. It may or may
6 not be my company's.

7 MS. KELLY LOVE: That's right. It's
8 more the -- I would say the water quality
9 constituency, those people in general who are --
10 water quality would be something that's important to
11 them, a constituency of people who recreation is
12 important to them.

13 CHAIR MR. TOM LITTLEPAGE: Yeah. A
14 couple. One is you're not intended to distribute the
15 chart with the X's in any kind of public arena, put
16 on the web or --

17 MS. KELLY LOVE: Not on the web. This
18 is actually part of public record of the Board's
19 approval. So it is in the Board's records which

20 public documents, but this is not going to be
21 published on the website proactively.

22 DFO ANDA RAY: But we'd like it to be
23 accurate. So if you feel uncomfortable where we
24 think your past experience allows you to speak for --
25 in that area with some level of expertise, if you're
1 uncomfortable, tell us, we will take it off, but it²¹⁴
2 is public. Sorry.

3 MR. PAUL SLOAN: I'm uncomfortable.

4 DFO ANDA RAY: Just tell Kelly. Just
5 tell Kelly and she will fix it.

6 MR. PAUL SLOAN: I represent -- I'm
7 here to represent consumers.

8 DFO ANDA RAY: Because you're a
9 consumer. You pay an electric bill.

10 MR. PAUL SLOAN: Oh, okay.

11 DFO ANDA RAY: Do you want your
12 electric bill to go up because you're not making
13 decisions here.

14 MR. PAUL SLOAN: I'm absolutely
15 willing to have it go up one cent a month so that I
16 can --

17 DFO ANDA RAY: You might not have
18 constituents with all the same perspective.

19 FACILITATOR WILSON TAYLOR: Russell.

20 MR. RUSSELL TOWNSEND: I just recently
21 bought a compass. So could I check next to

22 navigation? That would make me one more than anybody
23 else.

24 MRS. RENEE HOYOS: Oh, is it a
25 contest?

1 FACILITATOR WILSON TAYLOR: Thank you, ²¹⁵
2 Russell.

3 DFO ANDA RAY: Okay. All right.

4 FACILITATOR WILSON TAYLOR: Now, what
5 I would like to do now --

6 MR. MITCH JONES: Wilson.

7 FACILITATOR WILSON TAYLOR: Yes, sir.

8 MR. MITCH JONES: I have got to be
9 honest with you, when I was here in January as a
10 study guide, so to speak, I gave this some thought,
11 but after today and reading through -- by the way,
12 that is one thick --

13 MRS. JEAN ELMORE: Yes, it is.

14 MR. MITCH JONES: You know what this
15 looks like, it looks like what you apply for for a
16 marina permit for you. So anyway, Wilson, just
17 kidding.

18 This is pretty important. When you
19 cut back the onion, so to speak, and look at this and
20 you're setting a -- I won't say you're setting a
21 policy, you're providing a guideline to the Board of
22 Directors here on where to go with funding and
23 utilizing the resources that you manage, you know,

24 I'm sure ten years ago the Army Corps would have
25 loved to come in here and taken over the river 216
1 system, and we have all talked about that before,
2 right?

3 DFO ANDA RAY: Uh-huh.

4 MR. MITCH JONES: You have got a big,
5 old handful right here. So what happens and what
6 comes out of this -- these discussions, with a little
7 bit of jest it's fun, but at the end of the day, you
8 know, the more I sit and look at this and read
9 through this and listen to the presentations or
10 what-have-you, this is pretty dang -- doggone
11 important.

12 So when you go back to evaluate -- and
13 I'll -- pardon me, when you go back to evaluate some
14 of the different places that you want to put a level
15 of criteria and priority, you have got to give this
16 some thought. So my question is this: How much time
17 do we have before we make a recommendation back to
18 you to say, hey, wait a minute, you need to do this,
19 you need to do this, this needs to be more of a
20 priority, this -- or have you already done that?

21 DFO ANDA RAY: How much time do we
22 have before we put it in our budget?

23 MR. MITCH JONES: How much time before
24 this Council comes back to you and says, check that
25 one there, put that one there --

1 MRS. RENEE HOYOS: 20 minutes.

2 MR. MITCH JONES: We have got about
3 two weeks' worth of work.

4 MR. PAUL SLOAN: About 20 minutes.

5 DFO ANDA RAY: Bruce is going to go
6 over the schedule. The schedule is that by the
7 middle of June is when the comment period -- well,
8 the comment period is over when? What's the date?

9 MR. RANDY MCADAMS: May 16th.

10 DFO ANDA RAY: May 16th. The comment
11 period is over May 16th. We can still utilize some
12 of your input, but you need to make those comments by
13 May the 16th. We will come back to you with what the
14 preferred option is in June, and I think it's a
15 one-day meeting in Brasstown and it's June the 9th, I
16 think.

17 MR. MITCH JONES: You didn't pick
18 Brasstown Valley, did you?

19 DFO ANDA RAY: Sorry.

20 MR. MITCH JONES: North Georgia.
21 Rats. Where is Beth?

22 DFO ANDA RAY: I get it, Mitch. I get
23 it.

24 MR. MITCH JONES: Okay. Go ahead.

25 DFO ANDA RAY: Anyway, it -- so if it
1 is not -- if we still are not where we all think we
2 need to be, in other words, crisp, sharp, here's the

3 gap, here's the money, here's the benefits for the
4 money, then we'll -- we will under great duress from
5 me postpone this until the November Board meeting.

6 So I'm gauging that May 16th is when
7 we will feel like we can meet the expectations, and I
8 am waiting until tomorrow when we finish this meeting
9 and your questions to see if I think there's enough
10 time to do a better bang-up job. But in light of all
11 of that, right now it's May 16th, June 29th you're
12 going, okay, here's some tweaking, and August the 4th
13 we're approving it at the Board. The next
14 opportunity after that slips all the way to November.

15 MR. MITCH JONES: That won't happen.

16 DFO ANDA RAY: I hope not.

17 FACILITATOR WILSON TAYLOR: Avis.

18 MRS. AVIS KENNEDY: What is our
19 mechanism for submitting our comments? I mean, we
20 have talked around the table today, but is there --
21 are we supposed to go on a website and put them on
22 there or submit them in writing or who do we send
23 them to? Do I hear May 16th as the date we need to
24 get them in?

25 DFO ANDA RAY: We're taking your
1 comments here. We have a court reporter who will
2 take your comments after the meeting. You can go
3 on-line and sign them. You can handwrite them on a
4 note and hand it to one of our staff and we will

5 enter them in.

6 MRS. AVIS KENNEDY: Okay.

7 DFO ANDA RAY: So any other options?

8 Did I miss any? Your individual comments? The RRSC
9 we're capturing here.

10 MRS. AVIS KENNEDY: I guess I'm
11 thinking as my individual comments, although I
12 wouldn't have read it if I wasn't on the RRSC.

13 So is the entire RRSC supposed to come
14 to a consensus then today or tomorrow about -- for
15 example, say, I notice that there were 286 comments
16 related to recreation and 14 comments related to
17 water quality and I thought we should examine the
18 possibility of looking at a higher level of funding
19 increase toward recreation related to water quality
20 and to bring that up in front of the whole group but
21 it doesn't go in as a comment unless everybody agrees
22 and or is there --

23 DFO ANDA RAY: Oh, I see.

24 MRS. AVIS KENNEDY: -- a mechanism for
25 me to submit that in a more articulate manner as a
1 member of the RRSC? 220

2 DFO ANDA RAY: It's my understanding,
3 and Kelly, where did you go, is that if you speak it
4 here we have wonderful Kim here and your comments are
5 captured and we will make sure those are addressed.
6 If you want to make something more specific on-line,

7 you can. I assume that we're going through these
8 transcripts and counting some of these comments as
9 the EIS comments.

10 MS. KELLY LOVE: We can do that.

11 DFO ANDA RAY: Okay. We're committing
12 to do that.

13 CHAIR MR. TOM LITTLEPAGE: Yeah. I
14 guess I am similar relative to the unique aspect of
15 the RRSC is part of the NEPA, you know, as part of
16 the formal public participation, does that imply that
17 those things that we get consensus on are treated
18 differently than individual comments made --

19 MR. MITCH JONES: That's a good
20 question.

21 CHAIR MR. TOM LITTLEPAGE: -- as part
22 of a formal NEPA process?

23 MR. MITCH JONES: That's the question.

24 DFO ANDA RAY: You're providing advice
25 to the federal agency. I'm watching Kelly move back
1 there. I'm watching her move. You're providing
2 advice to a federal agency. We don't have to take
3 the advice. Consensus tells us it's a much stronger
4 advice and we want to say that we have listened to
5 you. So that's how -- there's no -- you can't force
6 TVA to do something under the FICA.

7 So collectively the RRSC does have a
8 strong voice, similar to those who participated on

9 the stakeholder group for the IRP had a strong voice,
10 a very strong voice. But individual comments are
11 lumped together, even in the EIS to say, okay, we
12 had -- well, here's the answer for the 14 people that
13 mentioned recreation on Wilson.

14 MR. TOM LITTLEPAGE: So I think --

15 DFO ANDA RAY: Is there anything you
16 want to add to that?

17 He's trying to look at the value or
18 the weighting of an individual comment versus the
19 RRSC consensus.

20 MS. KELLY LOVE: Sure. And I think it
21 depends on which audience. I mean, when you think
22 about in the EIS in terms of our legal responsibility
23 to respond to comments that are raised with respect
24 to the environmental review, something that comes
25 from this body would be responded to and given the
1 same amount of consideration as would any individual²²²
2 comment.

3 As far as comments that we receive on
4 the NRP, I do think, as Anda said, you know, the
5 consensus building that goes on here and the advice
6 that comes out of this body, it's weighted. We pay
7 attention to it, but we also are accepting individual
8 comments on the NRP as well. Those will also be
9 taken into account.

10 So tomorrow how whatever advice

11 consensus-wise this group comes to, I think that's
12 going to be reflected in the NRP and the EIS process
13 appropriately. If you-all each individually go to
14 the NRP website and submit something, we will handle
15 those, too.

16 DFO ANDA RAY: And if I can give an
17 example. Say we get to the Board meeting and we --
18 and there will be comments on the EIS that we don't
19 agree with and we won't have implemented them, if we
20 get to the EIS and we can't say that this stakeholder
21 group supports the recommendation, we probably aren't
22 going to go. So that's pretty weighty.

23 FACILITATOR WILSON TAYLOR: Renee.

24 MRS. RENEE HOYOS: Yeah. I know that
25 customarily we have a discussion and then we put
1 these sort of comments out, right? Are we at the 223
2 RRSC guiding principles and advice section?

3 FACILITATOR WILSON TAYLOR: We're
4 going to do that later.

5 MRS. RENEE HOYOS: Okay. You know, we
6 spent the whole morning trying to figure out, you
7 know, the tables and the -- and you know, it wasn't
8 until after lunch that I think we all
9 were comfortable with how the whole thing was redone.

10 So I don't feel like I can really
11 promote anything right now given the fact that it
12 took us while to really get down to what the plan was

13 about. Then I am assuming that the next -- we're
14 going to see another reiteration with some of these
15 corrections or no? Is this draft like it?

16 DFO ANDA RAY: You will see -- they
17 will see another reiteration. We're not -- we're
18 going to see another reiteration. I see what's
19 happening.

20 MRS. RENEE HOYOS: You know, if we're
21 going to see another reiteration, then maybe we
22 should consider moving it back to the November Board
23 meeting, that's just a thought.

24 DFO ANDA RAY: Let us have -- let's
25 make that decision on the 29th when we meet. You-all
1 have that on your calendars. If we need to take that²²⁴
2 off the agenda, that's the time to take it off the
3 August agenda.

4 MRS. RENEE HOYOS: Okay.

5 DFO ANDA RAY: In the meantime we may
6 have to have more written communications with you,
7 and maybe we can do that as -- to do that for
8 clarification.

9 CHAIR MR. TOM LITTLEPAGE: I guess the
10 only thing I would add to that in Deb's absence in
11 terms of our role is just understand the importance
12 of what consensus represents. And to the degree to
13 which you feel strongly and it becomes a consensus
14 opinion of the Council, that's weighted more

15 significantly in terms of how TVA will then update
16 and modify this thing for publication.

17 FACILITATOR WILSON TAYLOR: Russell.

18 MR. RUSSELL TOWNSEND: Yes, sir. I do
19 have a real comment to make this time. I'm thinking
20 along the same lines as Tom. I think it's important
21 to me that we're very clear on the issues that we're
22 addressing.

23 I have heard questions about our
24 constituencies and everything. I think we're all
25 here regardless of our perceived constituencies. 225
1 We're all here to advise TVA on how to be the best
2 stewards to the resources that they control for the
3 citizens of the United States. So I think that's
4 what we have got to think about.

5 And when I think about -- I have heard
6 several comments on recreation, and I certainly
7 understand it's very popular, but maybe somebody from
8 TVA will clarify, what are the custodial requirements
9 for TVA to address recreation? Would somebody tell
10 me the custodial requirements for TVA to build ramps
11 and campgrounds and hiking trails and things of this
12 nature?

13 MS. KELLY LOVE: There's nothing solid
14 in the TVA Act to point to, but our custodial bucket
15 is made up of those things that we are required to do
16 as a matter of law. So that would include the TVA

17 Act, as well as any other legislation, regulations,
18 Executive Orders that apply to us.

19 Within our defined custodial bucket is
20 also things that -- a direction that's been set by
21 the Board, policies that have been handed down. And
22 most of the custodial direction that we have for
23 recreation does fall into the environmental policy.
24 The Board has told us that you're going to do this
25 and you're going to supply these recreational
1 facilities. So that's the driver behind our
2 custodial bucket for recreation principally.

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3 MR. RUSSELL TOWNSEND: But it's not
4 the Environmental Policy Act, it's the Board's
5 directive on TVA environmental policy?

6 MS. KELLY LOVE: That's correct.

7 MR. RUSSELL TOWNSEND: I understand.
8 I think my comment would be to that respect, you
9 know, when I was a kid I would have loved my parents
10 to invest less of their money in my college education
11 and more of their money in my beer fund, but they saw
12 that they had other responsibilities that I wasn't
13 clear on at that time.

14 MR. MIR: You're not going to hear
15 that in the Board meeting, are you?

16 MR. RUSSELL TOWNSEND: I bring
17 something very special. So what I am seeing when I
18 look at this report is I'm not sure I am

19 understanding all of the subtleties that went into
20 the departmental decisions about what programs should
21 be blended, what choices and selections should be
22 flagshipped, and custodial.

23 The thing that I keep thinking is TVA
24 ought to do their custodial duties as best they can
25 and then see what's left over in the pot of gold and
1 use that to do the other fun stuff. 227

2 And one example that comes to mind is
3 there's no set defined custodial legislation that
4 directs TVA to have two undercover ARPA officers, but
5 do we advise TVA that two undercover ARPA officers
6 for the 11,000 miles worth of archeological sites is
7 sufficient?

8 In my thinking we all have our pet
9 projects and favorite things, but my thinking is
10 there's a lot that -- of custodial things that I can
11 see that are maybe not being addressed quite as fully
12 as I would like to see TVA address them.

13 FACILITATOR WILSON TAYLOR: All right.
14 Renee.

15 MRS. RENEE HOYOS: Well, I believe
16 though that environmental stewardship was part of the
17 enabling legislation. Am I wrong?

18 So even though there's no section --
19 code section mandate that TVA will put X number of
20 dollars into, you know, a program to increase water

21 quality, I still think that the Agency has an
22 obligation to look at stewardship. Recreation is a
23 big part of stewardship because when people get out
24 and appreciate what they have, they are more likely
25 to work to protect it.

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1 So, you know, I really want to
2 encourage that we keep moving forward in this
3 project, even though I do get what you're saying and
4 sometimes it does feel like the beer fund, but I
5 think ultimately you need a little beer to get
6 through college, life actually. So, yeah, that's my
7 comment.

8 FACILITATOR WILSON TAYLOR: Paul.

9 MR. PAUL SLOAN: Just continuing on
10 the thought, I tend to look at this as the natural
11 resource component of TVA's portfolio or its assets
12 and, you know, I ask myself you have got a -- the
13 maximum amount that is contemplated to be allocated
14 to all of the natural resources is \$55 million, and
15 that's a per annum, I suppose.

16 Is that a per annum number?

17 DFO ANDA RAY: Yes.

18 MR. PAUL SLOAN: And, you know, the
19 back of the envelope, which I am sure I am wrong, but
20 I am more interested -- I am interested in the
21 precise answer, but that's .45 of a percent of the
22 revenue of the -- of the -- of TVA.

23 And you know, like -- like moths, you
24 know, a little bit at a time you can ultimately eat
25 the elephant, but nevertheless a half of a percent
1 commitment to the resources that represent 293,000²²⁹
2 acres, the entirety of the Tennessee watershed, the
3 hydrologic contribution of those waters, if you care
4 to look at it from that perspective, the amount of
5 electricity in kilowatt hours that are generated from
6 that system, and from a number of other points of
7 view, I think that there's -- a larger policy issue
8 as an agency is to what extent do we commit our
9 efforts to beyond compliance, if you will?

10 And I want to emphasize much what
11 we're talking about here is beyond compliance. TVA
12 has a very, very well developed and robust system to
13 assure compliance. And I've -- we have recently
14 gone -- you have recently reviewed that with us and
15 we are very, very -- as an agency we are very, very
16 impressed, you know, by the commitment and so forth
17 to compliance, but we're really talking about beyond
18 compliance and what is an appropriate commitment to
19 doing that?

20 And then secondly, once you arrive at
21 that number or in part in parcel with arriving at
22 that number, how do you allocate it among these
23 various resources?

24 I don't think it should be a choice.

25 I think every element of what we're talking about in
resources is entitled and should have the funding 230
1 necessary to deliver to the public and for TVA to
2 model for the region and for the country the very
3 best.
4

5 I mean, I think that's the -- that's
6 the -- should be the mantra is that we will model for
7 the country the very best, and you can't do that on
8 \$20 million a year for the scope of what you're
9 talking about.

10 I compared -- just roughly in my mind
11 I'm thinking 293,000 acres alone, not to mention the
12 water resources, that's 100,000 more than we have in
13 55 state parks, and as much as we whine about the
14 state budget get to care for that, you're spending
15 only -- I mean, you have only got \$10 million
16 allocated to it and only a piece of that is going to
17 the land.

18 So when I look at our state budget for
19 managing our parks and our AU1 natural areas we are
20 multiples of that, and then say, okay, maybe TVA can
21 afford it. Well, it's .45 percent of 1 percent.
22 You're a .45 of 1 percent of the revenue.

23 So that -- without, you know, spending
24 any more time on that, that's the sort of perspective
25 I think that the Council is -- it's important
consideration for the Council. 231
1

2 So there may be some other questions
3 that need to be asked and answered and included in
4 here as a perspective for the larger -- you know,
5 among which is that perspective. The other is the
6 economic benefits that's been raised because I think
7 the economic benefit is enormous that we're talking
8 about.

9 FACILITATOR WILSON TAYLOR: Mark.

10 MR. MARK IVERSON: That may be picking
11 up along the same thing, Paul, that you mentioned
12 this morning about -- and just now about kind of
13 establishing what is a good baseline? What is --
14 what is it we think TVA's responsibilities are?

15 Is that -- as opposed to us kind of
16 focusing on a program, because I don't -- I can't
17 speak to programs, what's good or bad or the nuances
18 of those. The staff has the expertise to do that.

19 Should we kind of pick up like the
20 Council did at the last meeting and really provide
21 more guiding principle-type thought processes along
22 the same lines that you were speaking to earlier
23 today, that maybe that's where we ought to focus on
24 is the baseline ought to be this.

25 This is really what you're trying to
1 accomplish at minimums. And to the extent that you²³²
2 have got resources beyond that, then address those in
3 terms of adding to or enhancing those programs, but

4 this is where your target ought to be.

5 I don't know if that's really what we
6 ought to as a group maybe try to say that what our
7 outcome is out of this process.

8 DFO ANDA RAY: Actually, I think we
9 can take 10 or 15 minutes because I do want to
10 explore that and get some advice from you. I'll give
11 you some numbers and we will just talk about the
12 order of magnitude. We won't get into detail but --
13 I'll get some feedback and I'll talk about what the
14 percentage increase is in the rates and what that
15 means to the Valley when you have a percent increase.

16 FACILITATOR WILSON TAYLOR: We have
17 some -- three speakers that were going to be on our
18 tour on the bus, we wanted to hear them talk today.
19 So we're going to hear from Jean and then I'm going
20 to transition to those folks and then we will have
21 Randy come back and talk about those guiding
22 principles after our three speakers give their bus
23 presentation.

24 Jean.

25 MRS. JEAN ELMORE: I just wanted to
1 address another thing that Paul said on, you know, 233
2 our role and how do people contact us or do they or
3 what we do, and where I see our role from this
4 committee is really more of a -- in that respect more
5 of a PR-type thing, listening to what -- they are not

6 going to come to us unless they have sort of
7 exhausted their other -- whatever else they think or
8 if they have a real problem.

9 At that point -- at the point they
10 come down to the regional level is because they just
11 want to hear a voice that says I hear you. We don't
12 have the information in our hands to give them.
13 Therefore, what I did is I talked to Beth, I believe
14 I said, you know, what do I do with this? She said,
15 let us see it and help you form a reply.

16 So that is what -- it's in their hands
17 now. Then they will give me the bullets, condensed
18 down, understanding so that I can then speak back
19 with them and just tell them that this is where TVA
20 stands on that.

21 So, like I said, I think it's really
22 more being nice and having -- putting TVA in a
23 user-friendly type of atmosphere, and I sort of see
24 that as part of our role.

25 FACILITATOR WILSON TAYLOR: Thanks, 234
1 Jean. We will come back to that. Let's get our
2 speakers in. We can debate this up until 9:00. So
3 just imagine you're on a bus driving around East
4 Tennessee.

5 MR. BO BAXTER: I just wanted to
6 update you under the tab titled field trip info in
7 your folders. We're going to give a brief briefing

8 about the Kingston coal ash supplemental and
9 environmental projects.

10 After the Commissioner's order for
11 clean water violations was issued to TVA, it resulted
12 in TVA being assessed an \$11.5 million penalty. The
13 Clean Water Act allowed TVA to spend and get credit
14 against that penalty. So we have proposed three
15 projects to TDEC that have been approved.

16 The first project will be carried out
17 by TVA, and it's restoration enhancement projects
18 targeted at Roane County and its watersheds. We plan
19 to spend \$1 million over the next four years.

20 The other two would be TVA providing
21 funding to TDEC for their expenditures. One would
22 support Tennessee's water quality initiative, water
23 quality improvement initiative, and that would be
24 \$850,000 over four years, and TDEC would administer
25 that money and leverage additional funds to match
1 those monies. 235

2 The other one would be to the small
3 municipal stormwater discharges green infrastructure
4 and low impact development grant program, I got
5 through it.

6 DFO ANDA RAY: Good.

7 MR. BO BAXTER: And that's \$150,000
8 over three years, again, given to the state to
9 administer.

10 And the other topic that we were going
11 to touch -- that I was related to is the migratory
12 bird management, if you go two pages further, TVA,
13 because we have the reservoirs, because we have the
14 dewatering units that we were talking about, has a
15 long history of managing waterfowl and shore bird
16 resources.

17 And if you will look at those items
18 and if you have you any questions about those
19 programs and what they might be or what they might
20 mean, please contact me and I can talk to them
21 further.

22 Hopefully we can get you out there on
23 the next trip or some subsequent trip to actually see
24 these things going on.

25 FACILITATOR WILSON TAYLOR: Thanks, 236
1 Bo. James, James Adams is going to talk about
2 recreation.

3 MR. JAMES ADAMS: I have prepared all
4 week to be on the bus. So if I do this, just don't
5 mind me. I am going to stand here and hold on to the
6 pole.

7 Quickly, one of these programs that we
8 have been talking about as a possibility in one of
9 our suite of options in implementing the NRP would be
10 a Camp Right Program. It's very similar to the Clean
11 Marina Program where we are encouraging marinas or

12 encouraging campgrounds to adopt better practices
13 that are going to protect the environment.

14 So I'd call attention first to this
15 program as just something under development. We have
16 not exposed it outside. We're on our way to do that.

17 If you will look at the logo there,
18 we've spent some time trying to come up -- and in
19 your NRP booklet it calls it Clean and Green, but we
20 decided against that and went with Camp Right. It's
21 similar to Energy Right. It conveys a message.

22 We have started with a good logo, we
23 think. We'd still take some input on that. You can
24 see the Little Dipper there in the stars, but we're
25 trying to get people to see, hey, this is a
1 campground and this is good times, that when you go
2 to have some good times there's some other things you
3 can do. So we want to deal with the operators and
4 the people that we have the agreements with and also
5 the public.

6 There on the right, the first page as
7 you're looking through, the first document up there,
8 we will have a guide that we will share with
9 operators, you know, and it will be a series of
10 questions. We will try to encourage their behavior
11 to use energy efficient light bulbs, to use less
12 water, to reduce the amount of waste they have, to
13 adopt practices like Leave No Trace Behind. We will

14 have that document in about a 30-page book. They
15 will be able to use that. We will work with them and
16 visit them once a year.

17 If they meet certain conditions they
18 would become a Camp Right and they'd get the benefits
19 of that in being able to fly a flag. It would be
20 something they could use to promote their campground.
21 It would just be a signal to the public that this is
22 a good place to stay because we have good
23 environmental practices. There's a certificate at
24 the bottom.

25 Then on the back page it will show the
1 four or five categories that we would be looking at. ²³⁸
2 The first one is kind of the entry, the regulatory
3 and contractual agreements. Before you could even
4 begin to be rated on the others, which, you know, it
5 might be -- a 70 percent might be the pass rate, but
6 you have got to meet the first category there.

7 In other words, you have got to have
8 your spill plan if you're dealing with hazardous
9 waste. If you've got an underground storage tank,
10 you've got to meet the regulator requirements and
11 whatever contractual requirements we have in the
12 easement document, commercial liability, insurance,
13 things like take, you've got to meet that.

14 Once you get in the door we're going
15 to encourage these other things, resource

16 conservation, and you can see some of the items
17 listed there, siting and design, waste management,
18 and then last is public education.

19 FACILITATOR WILSON TAYLOR: Thank you,
20 James.

21 Steve Halcomb is going to talk about a
22 myriad of things.

23 Steve.

24 MR. STEVE HALCOMB: Good afternoon.

25 My name is Steve Halcomb. I'm a project manager in
1 technology innovations, specifically in the clean and ²³⁹
2 renewable energy generation group.

3 I guess about 12 months ago the clean
4 renewable energy group was approached with an
5 opportunity to evaluate a project at one of our local
6 reservations, Melton Hill Dam, and part of that
7 project was designed to where they wanted to
8 investigate how we could go in and impact a
9 recreation environment with clean and renewable
10 technologies to help offset some of our energy use,
11 offset our impacts on the environment.

12 So within your book you see your sheet
13 here. What we have accomplished in the past six
14 months is a -- regarding solar power, we have
15 integrated solar energy. The entrance sign there at
16 the site is a solar radiant and demonstrating battery
17 storage.

20 integrate solar on a pole.

21 Also, regarding renewable energy under
22 wind power, we have installed a 70 foot sky stream
23 wind turbine on the site. It produces renewable
24 energy. We have all of this renewable energy tied in
25 and we're metering all of its energy generation and
1 tracking that information, along with -- after a year²⁴¹
2 or so worth of data, we're going to combine that and
3 put it in a nice book and offer it to whoever wants
4 it as knowledge of what works, best practices in a
5 recreation environment.

6 Regarding energy efficiency, we have
7 integrated on the site -- specifically at the dam
8 area itself, there were around 27 typical normal
9 street lights. We integrated those with LED lights
10 which has reduced the consumption from 400 watts down
11 to about 260 watts each. So that is a major
12 contributor to that part of it for energy efficiency
13 reductions.

14 Also, throughout the complex
15 reservation area, we have installed and retrofitted
16 within our buildings energy efficient lighting, water
17 conservation. Examples of that are dual flush
18 toilets, motion sensing for entrance into the
19 bathrooms for the lighting, motion sensing for water
20 faucets.

21 Also, regarding stormwater management,

22 we have practices in place there where we have
23 integrated pervious pavers. We have walkways and
24 such throughout the complex that have around 15
25 inches of gravel beneath the paver which allows water
1 to infiltrate it, soak in, and seep out into the soil²⁴²
2 rather than seeping and dispersing across the ground
3 into the water.

4 Also, we're demonstrating the use of
5 coal combustion products. A couple of items there,
6 the pervious pavers that we have installed are
7 created with some portions of coal ash. Also, we
8 have integrated specific shingles that have been
9 integrated on existing buildings at the site.

10 Also, as another feature we have
11 integrated electrical vehicle charging stations at
12 the location where part of TVA's infrastructure is to
13 prepare for the future of the demand for electric
14 vehicles. Therefore, your family, friends, whoever
15 that come to the site can pull up, plug in, and
16 charge their vehicle while they are enjoying the
17 recreation environment.

18 With that, I can take any questions.
19 Does anybody have any questions?

20 Yes, sir.

21 MR. PHIL HAZLE: You mentioned using
22 gravel for filtering water, have you thought about
23 using pulverized glass for that?

24 MR. STEVE HALCOMB: Not specifically.
25 You know, basically the design of this stormwater 243
1 management pervious paver was designated as crush run
2 rock, plus limestone crush run, and that was the
3 typical installation on that for the 15-inch depth of
4 it.

5 MR. PHIL HAZLE: Our city got a grant
6 from -- through the State of Kentucky for a glass
7 pulverizer, and we have receptacles around the county
8 and they pulverize the glass and then use it in
9 asphalt or whatever. So that's a thought you might
10 want to keep in mind.

11 MR. STEVE HALCOMB: I will take note
12 of that. Any other questions? I wish we would be on
13 the tour.

14 FACILITATOR WILSON TAYLOR: Thanks,
15 Steve.

16 Randy, back to you finally.

17 MR. RANDY MCADAMS: Well, you-all just
18 heard the presentations you would have heard on the
19 bus, and about an hour ago you got to witness Wilson
20 throwing me under the bus. So keeping with the bus
21 motive, I'm going to be very brief.

22 I mentioned a critical part of the NRP
23 process is external input. Again, we're going to
24 focus on two constituencies, one being this body, and
25 the second being some of the public comments that we

1 have gotten through some of the open comment period
2 as well as the public meetings that have been
3 held the last -- I guess the last two weeks across
4 the Valley, and I am going to ask my colleague
5 Michael Anckner to speak to that very briefly.

6 But what you see on the next page, if
7 I could go to it, as you recall, you guys just spent
8 some time talking about comments from this group
9 being either individually or collectively as a body,
10 and as you recall in January this group ratified 11
11 guiding principles.

12 These are presented verbatim up here
13 on this page and the next two pages, 4, 4, and 3.
14 I'm not going to read through all of these, but the
15 point of these slides is really to emphasize to this
16 group that those guiding principles are setting
17 the -- they are the guiding principles for the NRP,
18 that they have been internalized and are being
19 addressed and they are setting the direction for the
20 NRP. I am not going to read through all of these in
21 the interest of time, but maybe just highlight a
22 couple of things.

23 I will also point out that some of the
24 things we have talked about today very directly
25 relate to this and it might be topics for further
1 conversation tomorrow in the advice section. 245

2 For example, you know, looking at the

3 first guiding principle, I'm not going to read
4 through all of these, but, you know, the guiding
5 principle from this body last January, manage the
6 river with responsibility along with the TVA mandated
7 mission on stewardship and do a first-class job of
8 managing the water, shoreline, and natural resources,
9 that was the advice from this group.

10 So how has it been incorporated?

11 The NRP at a minimum provides TVA with
12 a plan to go beyond basic legal requirements and
13 those custodial requirements and satisfy the goals of
14 proactive stewardship set forth in the environmental
15 policy. In other words, that's the construct of the
16 NRP, not just those minimum, legal, policy, and
17 regulatory requirements, but what are those enhanced
18 or flagship things that can be done around these
19 resource categories.

20 This was a topic of discussion today,
21 by the way. We had spent a lot of time -- I heard
22 comments about the Cadillac plan, that we ought to
23 pursue the Cadillac plan. We need more focus perhaps
24 in this area than another area. That might be
25 something to explore tomorrow. This is an example
1 how the direction from this body has been 246
2 incorporated into the NRP.

3 I will jump down to the third one,
4 cost of -- and this is a big one. The direction from

5 this group to TVA, cost of all programs borne by
6 ratepayers must be balanced with TVA's low cost
7 energy mission and economic development. Resources
8 aren't limitless. So we need to be cost-effective
9 and mindful of that cost-effectiveness, that's -- as
10 this Council has directed.

11 So the reason -- the reaction to that
12 is the NRP presents multiple implementation tools and
13 strategies to enable that. Again, the kind of tiered
14 approach to implementation of these different program
15 options, also the opportunity for partnerships and
16 volunteer programs, et cetera.

17 So how are there ways to get the most
18 bang for the buck?

19 I'll flip to the next page. Again,
20 I'm not going to read through all of these. They are
21 in your book, but these are verbatim on the left-hand
22 side, the guiding principles. I will skip down to
23 the second one, create public awareness of TVA's
24 non-power accomplishments and current activities. In
25 the NRP we beefed up the history of TVA's past
1 accomplishments across the four resource areas and
2 promotes a number of public outreach programs.

3 I will also say that one thing I heard
4 very loudly today was the emphasis on outreach. Tom,
5 I heard you say that outreach needs to be flagship.
6 We had discussion around ecological education

7 programs and possibilities, et cetera, and lake
8 clean-up efforts.

9 So I think you heard from the resource
10 specialist talk about the importance of outreach
11 programs and I think TVA heard from this group the
12 importance of outreach programs, and so that's being
13 embedded in the NRP.

14 The last bullet, be clear and concise
15 on communicating the NRP with the public. Clarify
16 and be clear on custodial flagship valuation, et
17 cetera, I think we heard that loud and clear. That's
18 not a surprise to us. We thought we would hear that.
19 I think we heard that loud and clear.

20 I think Bruce will talk in the
21 wrap-up. We're already preparing to address that
22 when we go to final to make it a little clearer.
23 This was a draft document intended to present some of
24 the detailed analyses that has gone into getting TVA
25 to this point, but we hear loud and clear that that
1 needs to be clear and transparent. 248

2 On the last page just a couple of
3 things, encourage and incorporate public input into
4 the development of the NRP, I think you will hear in
5 just a moment that that's really been taken into
6 account, both with public comment open periods and
7 the scoping process, public meetings, the existence
8 of this body. I don't know what I am leaving out,

9 but public input has been encouraged pretty -- oh,
10 communication with agencies across the Valley
11 throughout this process. So public input is a key
12 part of this process.

13 And lastly, the NRP is a living
14 document. Ensure review and revise as needed at
15 appropriate levels and not to exceed five years, that
16 was the advice from this group. Again, you've heard
17 Anda say that TVA is committed to doing precisely
18 that, to updating the NRP. It's a 20-year plan, but
19 it will be updated no later than every five years.

20 So, again, the message of these slides
21 that I just hurriedly went through is that the
22 guiding principles that have been given from this
23 group to TVA have been heard loud and clear and they
24 are being addressed and being -- they are kind of
25 foundational for the NRP.

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1 The other aspect, while I am on the
2 bus here moving quickly, of public input has been the
3 public input process, both with comments during the
4 scoping period as well as some of the public
5 meetings. I'd like to ask my colleague Michael
6 Anckner, by the way, Kim, Michael Anckner, if you
7 would speak to this very quickly.

8 MR. MICHAEL ANCKNER: Thanks, Randy.
9 And as Randy alluded to, we have had a number of
10 different opportunities for stakeholder input, this

11 body being very important.

12 If we can, go to the next slide. The
13 next one. Forward. Two more. There we go right
14 there.

15 This body being one important piece of
16 input, the Agency visits as Randy discussed and we
17 talked about at the last RRSC meeting, and then
18 finally the public input. We will just talk about
19 this very briefly.

20 There have been two opportunities for
21 public comments on the NRP. The first one was the
22 scoping period, which was done actually twice for
23 this project. It was done once when the NRP was
24 still part of the Integrated Resource Plan, and then
25 after the decision was made to separate it out there
1 was another, more brief public comment scoping 250
2 session done. And in addition to that, we have now
3 had the public comment session on the draft.

4 So I will tell you about the public
5 comment session on the draft, but before we do that,
6 you know, Avis, I think you referred to some of the
7 public comments about recreation from the scoping
8 session. So I think it's worth revisiting those very
9 quickly. This slide shows essentially what the
10 summary of that is.

11 Over the two scoping sessions we
12 received about 685 comments from the public. As you

13 see on that graph there, a third of them were about
14 recreation. So as we have developed the program
15 options and as we have developed the NRP, we have
16 tried to take that into account and to keep that in
17 the back of our mind, knowing well that that doesn't
18 just mean more resources to recreation programs but
19 it means that you can't recreate without clean water
20 or you wouldn't enjoy recreating without, you know,
21 environmental protection or habitat protection.

22 So as we think about all the different
23 resource areas, we try and keep recreation in mind.

24 Yes.

25 MRS. AVIS KENNEDY: Do we have access
1 to the actual comments or a summary that kind of 251
2 shows the nature of the comments? I mean, there were
3 226 comments on recreation, but, you know, maybe 220
4 of them said TVA doesn't have any business in the
5 recreation business. I mean, it could be anything
6 about recreation.

7 MR. RANDY MCADAMS: I guess we can
8 provide that.

9 MS. KELLY LOVE: Yes. We published a
10 scoping document after the conclusion of these two
11 scoping periods. I believe there is still a link to
12 it on TVA's external website for the NRP.

13 MRS. AVIS KENNEDY: So is it in the
14 draft EIS or not?

15 MS. KELLY LOVE: I don't think that
16 we're going to reproduce the actual scoping comments
17 in the draft EIS. I think we included a summary of
18 them, but I believe the scoping document, we can get
19 you a copy of that. All the comments were actually
20 reproduced and they are part of the record and so
21 they are publicly available.

22 MRS. AVIS KENNEDY: Okay. Or a link
23 would be great, if you could just give me the link.

24 MS. KELLY LOVE: Yes.

25 DFO ANDA RAY: That's going to be hard
1 for them. It's not separated out that way, right? ²⁵²

2 MS. HELEN RUCKER: The scoping
3 document is still on the website.

4 DFO ANDA RAY: I mean, it's the whole
5 IRP and the NRP scoping? Okay. Then you can access
6 it. All right.

7 MR. MICHAEL ANCKNER: We have got that
8 on the website. Okay. So that was essentially the
9 first opportunity for public input.

10 Now we can go to the next slide.
11 Right now we're in the middle of the public comment
12 period. As Randy mentioned earlier, the draft was
13 issued April 1st, I believe the EIS a week or two
14 later. The public comment period is going to run
15 through May 16th.

16 Over the last few weeks we have gone

17 around the Valley. We have had three public meetings
18 in different parts of the watershed. We started off
19 in Knoxville, we went to the other side on Kentucky
20 Dam, and then down in Muscle Shoals. So we hit
21 different pieces of the river.

22 The public meetings were very well
23 attended. We had a variety of different stakeholders
24 that were there, everyone from watershed associations
25 to concerned citizens, probably a variety of folks,
1 RRSC members. Thank you, Mark, and, Tom, for making²⁵³
2 an effort to come out to those in Kentucky and Muscle
3 Shoals. We had some Tea Partiers down in Muscle
4 Shoals as well that provided some interesting
5 comments.

6 MR. TOM LITTLEPAGE: It was the best
7 attended. Alabama was very well attended.

8 MR. MICHAEL ANCKNER: As I said, we're
9 right in the middle of the public comment period. So
10 we have received some formal comments through those
11 meetings. Most of the formal comments are coming in
12 through the website, and we expect most of them to
13 come in probably over the next few weeks as they tend
14 to do at the very end of the public comment period.

15 So to date we have received about 20
16 comments, but that's probably right around along the
17 lines of what we were expecting, like I said, with
18 more coming in over the next few weeks from agencies.

19 The next slide is the final slide. It
20 gives a brief overview of kind of what we have seen
21 so far in those formal comments that have come in,
22 and they have really fallen into one of three
23 categories. Lands planning has been discussed,
24 comments around implementation, and then some general
25 other considerations.

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1 When we talk about lands planning, as
2 we do whenever TVA issues a document that mentions
3 anything with lands planning, we have comments
4 specifically around, can you change this zone or I
5 live on Pickwick Reservoir and we have this specific
6 concern. So we have seen -- that's probably been the
7 majority of the comment so far has been along those
8 same lines.

9 On the implementation side, most of
10 the comments we have gotten and most of the talk at
11 the public meetings has been around partnerships.
12 Can you partner with us? Can you partner with this
13 watershed association? We would like for you to
14 reach out to this type of body, also to protect --
15 you know, just to make sure that we preserve
16 everything for future generations.

17 Then other considerations that we have
18 heard here and through the public meetings are about
19 climate change was one in particular, as well as --
20 you know, most of the comments in the meetings that

21 we got questions about were, how is this going to
22 affect me? Are you going to implement things that I
23 then have to do on my farm or that are going to
24 affect the way that I do business in the future? So
25 those are other types of questions that we have
1 gotten. 255

2 As I said, we have gotten about 20.
3 We're expecting considerably more over the next few
4 weeks, but this is just an update on where we are
5 right now.

6 Any questions? All right.

7 FACILITATOR WILSON TAYLOR: Thank you.

8 MR. BRUCE SCHOFIELD: I'm the guy they
9 have been looking to see, the end. I guess I've got
10 a button. I don't know which button it is. One
11 more.

12 What I want to talk a little bit about
13 are the next steps, you know, where are we in the
14 process? It's basically to the point where we are
15 finalizing the NRP.

16 As I said earlier, these were in no
17 particular order, but we have gotten a strong message
18 about continuing to simplify. We may even just take
19 continuing out of that and just say that we need to
20 simplify the document.

21 To move forward, you just heard about
22 public comments and getting that input. Again, that

23 input period is through the close of business on May
24 16th to go do that. We are taking those and we are
25 processing those as they come in to pull that
1 together. 256

2 One thing that we will do in part of
3 the simplification is the executive summary, we
4 intend to have a standalone executive summary quick
5 reference document that kind of -- so people don't
6 have to read the -- if they want to know what's in
7 the NRP here's another document that says, here's the
8 summary, and then they can -- then they will match up
9 section-to-section so they can go through and look at
10 the detail if they want to go do that. You know,
11 continuing just to move through that and addressing
12 the implementation needs.

13 The next slide looks at where we are
14 in the process on today's date as we finish. As I
15 said, the comment period goes through the 20 --
16 through the 16th of May, and we will respond to those
17 comments, close it out. We expect to have a draft
18 prepared in that next 25-day period. We ought to
19 have that draft ready about two weeks before the
20 June 29th RRSC meeting, somewhere in that time frame.
21 We have got to look and see how we reconcile
22 comments, what that does. We have to get it ready to
23 go to the publisher to go do that. So you will have
24 another bite at that.

25 Then we have the executive internal
257
1 reviews, still targeting the mandatory waiting period
2 to begin in late July to -- or early July to support
3 a mid August, early August Board meeting to go do
4 that.

5 I want to go now to -- we have
6 inserted a couple of slides here that are not in your
7 book. We typed them up at the last break. So if you
8 would give me the next one so I can see what order
9 they are in.

10 The question that came to us is, what
11 are we doing today compared to what we are doing or
12 planning to do in the preferred alternative?

13 So what we have done -- it's in the
14 book but it's not -- it's not on one slide. So we
15 thought it would be beneficial to talk about moving
16 biological from 3 to 4 million to 8 to 9 million,
17 water 1 to 2 million to 5 to 6, recreation 2 to 3 to
18 the 5 to 6 range, and custodial -- I mean, not
19 custodial, cultural, 800,000 to 1.3 million, moving
20 it to 2 to 3 million in doing that.

21 Then public outreach, you know,
22 100,000 to 200,000 and moving it to the 1 to 2
23 million range. It kind of looks at that blend as 7
24 to 10 is what we do today. The preferred alternative
25 would boost that to 21 to 25 million. That's kind of
258
1 comparing -- we got into the discussion about, what

2 is that with respect to TVA's revenue?

3 Given the year, given the -- how many
4 heating days we have, how many cooling days we have,
5 you know, we are 11 to \$12 billion. If we go in and
6 we hit, and we always use this one, \$100 million --
7 if we need to go find \$100 million to do something,
8 that's a 1 percent rate increase on every ratepayer
9 in the Valley, whether they are industrial, whether
10 they are residential, whether they are commercial.
11 So that's kind of the orders of magnitude when we go
12 do that.

13 DFO ANDA RAY: I want to get to the
14 comment that Mark brought up and have a little bit of
15 a discussion here.

16 So what's the right amount of money?

17 So if TVA has 12 to \$13 billion of
18 revenue a year and 100 to \$250 million is a percent
19 rate increase, a percent rate increase is enough to
20 send some of the commodity industrial customers
21 overseas. So we're the last stop shopping in the
22 southeast, and then after us they go someplace else.
23 So raising those rates is a big deal.

24 The appropriated funds, when it was
25 cut from TVA, was around \$75 million a year. So we
1 kind of use that as the bench -- as kind of the line
2 in the sand, not a benchmark at all, but a line in
3 the sand to say that that's what the American people

4 and that's what Congress thought was the appropriate
5 level to fund TVA.

6 Now, 27 million of that was Land
7 Between the Lakes which they ordered us to transfer
8 to the Forest Service, Park Service, Forest Service.

9 MR. RUSSELL TOWNSEND: U.S. Forest
10 Service.

11 DFO ANDA RAY: To the Forest Service.
12 So we know that that 27 million is not part of this
13 thing. So what was left was 45, \$50 million for TVA.
14 About 40 of that is spent on stewardship activities
15 associated with river operations, navigation, flood
16 control, things that are part of an integrated river
17 system, but they are not part of power production,
18 per se.

19 In other words, if you read the TVA
20 Act, after you do all of these other things and you
21 have any river water left over, then you can go
22 produce power. So those are considered stewardship
23 activities if they are directly related to power.

24 That leaves about 10 to \$12 million
25 that Bruce is running, and of that 7 to 10 is for the
1 natural resource area that you're looking at right
2 now. So when you see folks, and they are mostly the
3 folks that have a vested interest in those areas, we
4 owe you an explanation of how the step-up goes.

5 How did you go from 2 to \$10 million

6 today to recommending the blended option that's going
7 from 21 to 25? That's a huge jump, three times --
8 over three times. And granted, that represents about
9 a third of a percent increase, a third of a cent
10 increase in the rates. That's a lot in our world.
11 So I think we owe you that explanation.

12 But anyway, that's kind of the
13 numbers, and I'd really like to get some feedback
14 about, gee, Anda, when you said that, I'm thinking
15 too bad, you need to do three times or, gee, Anda,
16 you guys owe us a little bit more business model to
17 say what's the right level for a \$12 billion company.

18 So when you start at 12 billion, 13
19 billion, you think what's another 15 or 20 million,
20 but when you start bringing it down to a person on a
21 fixed income, 1 percent is a lot of money, it's a lot
22 of money, especially in business as well.

23 So, anyway, I'd just like a little
24 dialogue. I want to see those cards go up. This is
25 kind of the feedback of what's the right amount.

1 FACILITATOR WILSON TAYLOR: Russell. 261

2 DFO ANDA RAY: And this is where you
3 would be for Melton Hill. I'm glad we kept you here.

4 MR. RUSSELL TOWNSEND: I appreciate
5 what you said. That helps me understand things a lot
6 better. One of the last things you said kind of made
7 me ponder about TVA's real stewardship role.

8 Are we -- are we doing -- do we need
9 to be concerned about what's appropriate for a \$12
10 billion company or do we need to be concerned about
11 what is appropriate for a 1 million acre land holder
12 or something like that?

13 There are a lot of states, seven
14 states, that TVA holds the stewardship
15 responsibilities, heritage natural resource
16 responsibilities for everybody living in those
17 states, and really anybody that might ever be born
18 there or move there. So it's a huge responsibility,
19 and I think ethically and morally it goes far beyond
20 \$12 billion worth of responsibility.

21 FACILITATOR WILSON TAYLOR: Paul.

22 MR. PAUL SLOAN: Yes. Several things
23 come to mind. Where to begin?

24 No. 1, these amounts, we have
25 identified earlier that there is no time line on
1 implementation here. It's a 20-year span. So if you²⁶²
2 are going to do \$50 million or you're going to do \$20
3 million or you're going to do \$10 million, there's no
4 planned implementation. So we don't really know when
5 those dollars are going to be -- so we don't know
6 what year those dollars are going to be committed.

7 Secondly, rates, although the formula,
8 and you correct me -- well, let me -- I also want to
9 back up and say that all of us who feel strongly

10 about this have to be very careful about how we word
11 things because I think the most important threshold
12 point is that TVA has been -- from a compliance point
13 of view has -- and I said it earlier, has been a
14 model to -- as far as I am concerned as an agency of
15 responding to huge problems and also just to routine
16 compliance, plus, the outreach and many of the
17 expertise that you have with respect to aquatics and
18 other areas touching on natural resources have made
19 you an invaluable partner to the other resource
20 agencies in the state in solving big problems.

21 Thirdly, along those lines, there --
22 we are very fortunate in Tennessee to have you, the
23 Corps, U.S. Geologic Survey, TWRA, and other resource
24 agencies whose staff and professionals gets along so
25 well and have a shared commitment and that -- you
1 know, that commitment is what I think we need to 263
2 resolve to mind more of going forward to solve big
3 problems. So No. 1 is, you know, this is all great.

4 Now, having said that, I think it's,
5 one, too small of an amount. I mean, I think we
6 ought to go for the 50 million. I mean, whatever the
7 amount is I don't -- we need --

8 DFO ANDA RAY: For the work of this
9 scope, for the scope we're talking about in the green
10 book?

11 MR. PAUL SLOAN: Yes. Yes. Now, I

12 say that with a little uncertainty because I am

13 not --

14 (The meeting was interrupted due to

15 inclement weather and was reconvened on Thursday,

16 April 28th, 2011 at 8:00 a.m.)

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